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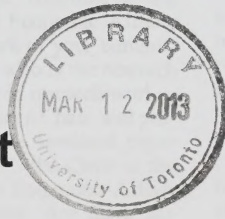
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Legislative Assembly of Ontario

Second Session, 40th Parliament

Assemblée législative de l'Ontario

Deuxième session, 40^e législature



Official Report of Debates (Hansard)

Thursday 28 February 2013

Journal des débats (Hansard)

Jeudi 28 février 2013

**Standing Committee on
Finance and Economic Affairs**

Organization

**Comité permanent des finances
et des affaires économiques**

Organisation

Chair: Kevin Daniel Flynn
Clerk: Katch Koch

Président : Kevin Daniel Flynn
Greffier : Katch Koch



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Assemblée législative
de l'Ontario
(Assemblée législative de l'Ontario)

Legislative Assembly
of Ontario
(Assemblée législative de l'Ontario)



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des débats
(Hansard)

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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRSCOMITÉ PERMANENT DES FINANCES
ET DES AFFAIRES ÉCONOMIQUES

Thursday 28 February 2013

Jeudi 28 février 2013

The committee met at 0901 in room 151.

ELECTION OF CHAIR

The Clerk of the Committee (Mr. Katch Koch):

Good morning, honourable members. Welcome to the Standing Committee on Finance and Economic Affairs. My name is Katch Koch. I'm the Clerk of your committee. To my left, we have Susan Viets, who is the research officer assigned to help the committee in research work.

It is my duty to call upon you to elect a Chair, and pursuant to standing order 117(c) and the sessional paper that was tabled on November 24, 2011, the Chair of the Standing Committee on Finance and Economic Affairs must be a member of the government. Are there any nominations? Ms. Wong.

Ms. Soo Wong: Mr. Clerk, I'm going to be nominating Kevin Flynn to be the Chair of this committee.

The Clerk of the Committee (Mr. Katch Koch): Mr. Flynn has been nominated. Are there further nominations? There being no further nominations, I declare the nominations closed and Mr. Flynn elected Chair of the committee.

Mr. Michael Prue: If I could, Mr. Chair, usually it's customary to ask the nominee whether he will accept. Did he indicate that in advance to you? I think it should be part of the record.

The Clerk of the Committee (Mr. Katch Koch): Yes.

Mr. Michael Prue: Okay, he did. Thank you.

ELECTION OF VICE-CHAIR

The Clerk of the Committee (Mr. Katch Koch): In the absence of the Chair, I will now proceed to the election of the Vice-Chair. Are there any nominations?

Mr. Peter Shurman: Mr. Clerk, I nominate Ms. Wong to be appointed as Vice-Chair of this committee.

The Clerk of the Committee (Mr. Katch Koch): Ms. Wong, do you accept the nomination?

Ms. Soo Wong: Yes.

The Clerk of the Committee (Mr. Katch Koch): Are there further nominations? There being no further nominations, I declare the nominations closed and Ms. Wong elected Vice-Chair of the committee.

APPOINTMENT OF SUBCOMMITTEE

The Vice-Chair (Ms. Soo Wong): The third item on the agenda is the appointment of the subcommittee on committee business. Can I hear if there's any motion on this particular item?

Mr. Monte McNaughton: Madam Chair, I move that a subcommittee on committee business be appointed to meet from time to time at the call of the Chair or at the request of any member thereof, to consider and report to the committee on the business of the committee;

That the presence of all members of the subcommittee is necessary to constitute a meeting; and

That the subcommittee be composed of the following members: the Chair as Chair, Ms. Damerla, Mr. Shurman and Mr. Prue; and

That substitution be permitted on the subcommittee.

The Vice-Chair (Ms. Soo Wong): Thank you, Mr. McNaughton. Are there any comments or suggestions regarding this motion?

Mr. Peter Shurman: I think they're great people.

The Vice-Chair (Ms. Soo Wong): It's 5 after 9. Is everybody ready for the vote, to call the question?

All those in favour? Opposed? Carried. Okay, that's good.

Anything else? That's it. Any other business? No?

Mr. Michael Prue: I would like to suggest that the subcommittee meet as soon as possible, because if this committee is going to go on the road or hear deputations in advance of the budget, we need to do that post-haste, so if I could suggest that the subcommittee could meet this morning or this afternoon in order to finalize those details. We should do it, because by waiting till next week, we may not be able to accomplish the committee's goals.

Ms. Dipika Damerla: Agreed.

The Vice-Chair (Ms. Soo Wong): Okay. Mr. Shurman, I see your hand.

Mr. Peter Shurman: It's not agreed unless I say so.

Interjections.

Mr. Peter Shurman: No, I'm quite happy to meet. I just wanted to bring to the Chair's attention the fact that this afternoon would be impossible. I'm quite prepared to stay on, once we declare this phase of the meeting closed, and discuss that.

The Vice-Chair (Ms. Soo Wong): Okay. I see that there is interest expressed by Mr. Prue and Mr. Shurman

to remain for the subcommittee, to continue for the subcommittee work. We could adjourn this committee and then go forward for the subcommittee to do their own

activity. Is that good with everybody? Okay, that's great. Thank you.

The committee adjourned at 0907.

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STANDING COMMITTEE ON FINANCE AND ECONOMIC AFFAIRS

Chair / Président

Mr. Kevin Daniel Flynn (Oakville L)

Vice-Chair / Vice-Présidente

Ms. Soo Wong (Scarborough–Agincourt L)

Ms. Dipika Damerla (Mississauga East–Cooksville / Mississauga-Est–Cooksville L)

Mr. Steven Del Duca (Vaughan L)

Mr. Victor Fedeli (Nipissing PC)

Ms. Catherine Fife (Kitchener–Waterloo ND)

Mr. Kevin Daniel Flynn (Oakville L)

Mr. Monte McNaughton (Lambton–Kent–Middlesex PC)

Mr. Michael Prue (Beaches–East York ND)

Mr. Peter Shurman (Thornhill PC)

Ms. Soo Wong (Scarborough–Agincourt L)

Substitutions / Membres remplaçants

Mr. Rick Bartolucci (Sudbury L)

Mrs. Donna H. Cansfield (Etobicoke Centre / Etobicoke-Centre L)

Clerk / Greffier

Mr. Katch Koch

Staff / Personnel

Ms. Elaine Campbell, research officer,
Legislative Research Service

Ms. Anne Marzalik, research officer,
Legislative Research Service

Ms. Susan Viets, research officer,
Legislative Research Service



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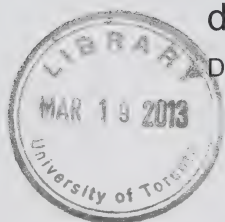
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Official Report of Debates (Hansard)

Monday 11 March 2013

Journal des débats (Hansard)

Lundi 11 mars 2013

**Standing Committee on
Finance and Economic Affairs**

Pre-budget consultations

**Comité permanent des finances
et des affaires économiques**

Consultations prébudgétaires

Chair: Kevin Daniel Flynn
Clerk: Katch Koch

Président : Kevin Daniel Flynn
Greffier : Katch Koch

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STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRSCOMITÉ PERMANENT DES FINANCES
ET DES AFFAIRES ÉCONOMIQUES

Monday 11 March 2013

Lundi 11 mars 2013

The committee met at 0858 in the Hilton Windsor, Windsor.

SUBCOMMITTEE REPORT

The Chair (Mr. Kevin Daniel Flynn): Okay, if we can call to order, ladies and gentlemen, we're going to dispense with a little bit of committee business first. We're going to have a report from the subcommittee before we move to the delegations. Mr. Shurman.

Mr. Peter Shurman: Thank you very much, Chair. This is a report of the subcommittee that met last week.

Your subcommittee on committee business met on Thursday, February 28, 2013, to consider the method of proceeding on pre-budget consultations 2013, and recommends the following:

(1) That the Chair should forward, as soon as possible, to the three House leaders the committee's request to meet on March 11, 12, 13 and 22, 2013, and April 3 and 4, 2013, to hold public hearings on pre-budget consultations.

(2) That the committee holds pre-budget consultations in Windsor, Timmins and Ottawa from March 11 to March 13, 2013.

(3) That the committee holds pre-budget consultations in Toronto on March 21 and 22, 2013.

(4) That the Clerk of the Committee, with the authorization of the Chair, post information regarding the pre-budget consultations on the Ontario parliamentary channel, on the Legislative Assembly website and with Canada NewsWire.

(5) That the Clerk of the Committee, with the authorization of the Chair, place an advertisement in a major newspaper for one day in each of the cities where the committee intends to hold pre-budget consultations, and that the advertisements be placed in both English and French papers where possible.

(6) That interested people who wish to be considered to appear before the committee contact the Clerk of the Committee by 12 noon on Friday, March 8, 2013.

(7) That on Friday, March 8, 2013, the Clerk of the Committee provides the subcommittee members with an electronic list of all the potential witnesses who have requested to appear before the committee.

(8) That, if all requests to appear cannot be accommodated in any given location, each of the subcommittee

members supply the Clerk of the Committee with a prioritized list of witnesses.

(9) That, if all requests to appear can be accommodated in any given location, the Clerk of the Committee, in consultation with the Chair, be authorized to schedule the witnesses.

(10) That late requests may be considered, space permitting.

(11) That witnesses be offered a total of 15 minutes for their presentations and questioning by committee members.

(12) That the deadline for written submissions be 5 p.m. on Friday, March 22, 2013.

(13) That the research officer provide the committee with an interim summary for the hearings dated March 11, 12 and 13, 2013, by Monday, March 25, 2013.

(14) That the committee meet for the purpose of report writing on April 3 and 4, 2013.

(15) That the committee authorize one staff person from each recognized party to travel with the committee, space permitting, for the purpose of pre-budget consultations and that reasonable expenses incurred for travel, accommodation and meals be paid for by the committee upon receipt of a properly filed expense claim.

(16) That the Clerk of the Committee, in consultation with the Chair, be authorized prior to the adoption of the report of the subcommittee to commence making any preliminary arrangements to facilitate the committee's proceedings.

I move adoption.

The Chair (Mr. Kevin Daniel Flynn): Thank you very much. Mr. Shurman has moved adoption of the subcommittee report. All those in favour? Those opposed? That motion is carried.

PRE-BUDGET CONSULTATIONS

COMMUNITY LIVING TILLSONBURG

The Chair (Mr. Kevin Daniel Flynn): Let's move on to the public delegations, and the very first one of our deliberations this year is Mr. Marty Graf, chief executive officer of Community Living. Would you like to come forward, Marty? Have a seat anywhere you're comfortable. Maybe you could introduce your colleagues when you get started.

Each delegation has 15 minutes; you can use that any way you like. I'll let you know when you've got two

minutes left, just so you can, perhaps, start to summarize. The first round of questioning, if there is any time for questioning, will go to the Conservative Party.

The floor is all yours.

Mr. Marty Graf: Thank you, Mr. Chairman. Again, my name is Marty Graf; I'm the chief executive officer with Community Living Tillsonburg. Della, do you want to introduce yourself?

Ms. Della Derrough: I'm Della Derrough from Tillsonburg. I'm here for People First, and I belong to the institutionalization—I'm the one who had the institutions close. I'm here to make sure that with the cost of living—people with disabilities need more money to live.

Mr. Michael Kadey: Hi, I'm Michael Kadey. I'm a member of People First, a self-advocacy group in Tillsonburg, and I'm also on the board of directors for Community Living Tillsonburg.

Mr. Marty Graf: Mr. Chairman, we thank you for the opportunity to speak here today on behalf of Community Living Tillsonburg and People First Tillsonburg.

For 58 years, Community Living Tillsonburg has been a source of support for individuals who have intellectual disabilities and their families. Our association was formed in 1955 when a group of parents came together to find alternatives to placing their children in an institution. We started by building a school, and as the children grew we developed the supports they required to be able to fully participate in their community.

Today, Community Living Tillsonburg provides services for people with intellectual disabilities, under the social inclusion act. We are a service provider for ODSP employment services, which includes all disabilities. Through our children's services division, we offer child care programs, child development programs such as resource consultants, and family support, and we operate Ontario Early Years programs.

We are funded for our adult services primarily through the Ministry of Community and Social Services. Our children's services are funded by the Ministry of Education and Oxford county, and through parent fees and subsidies. We are a not-for-profit, charitable organization, and we also do fundraising and accept donations.

We recognize that the government is facing serious economic challenges, but we would encourage the government to focus not only on austerity measures. Government needs to focus on revenues so that we can continue to provide the supports and services needed by families and individuals. Community Living has always worked with the government to make the most efficient use of public funds in addressing the needs of people who have an intellectual disability and in the provision of child care supports to children and their families in Ontario. While recognizing the current realities of the economy, our recommendations are aimed at ensuring that the supports and services we provide continue to meet the needs of the people we support, and that we remain a healthy organization.

We are now completing our third year with no increases. Our sectors do not have sector-wide agreements.

We had negotiated contracts that were regarded as reasonable risks. Supports and services are being lost as we deal with these unfunded increases. Should there be a fourth consecutive year with no increases, more supports and services will be lost, as we still face increased labour costs in fiscal 2013-14.

In regards to wait-lists, in Oxford county there are 35 individuals waiting for group living supports and 53 waiting for supported independent living supports. As well, 20 individuals are waiting for community participation supports. In the southwest region, 790 people are waiting for group living supports, 586 are waiting for supported independent living supports and 966 are waiting for community participation supports. Waiting lists for residential supports have risen to 12,000 people in the province in a sector that currently provides residential supports to 16,000 people. These are people without services and supports.

In most cases, you are dealing with aging parents who have taken care of their child or children for many years at home. We have to ensure that places or supports are available when those family crises arise. The provincial Ombudsman has received more than 500 complaints in the past year regarding the failure of government to respond to these needs. Many people who have an intellectual disability and their families are in crisis as they wait for critical funding and supports.

We ask the government to provide funding this year to address the immediate needs of those who are in crisis or facing crisis, including support for the growing number of aging parents who are no longer able to take care of their children who are now adults, many of them aging.

Special Services at Home: Changes in government policy will now see that families with a child with special needs will lose their support when their child turns 18. Previous policy allowed for the supports to continue after the person turned 18. They will now be put on wait-lists for Passport funding or community participation supports. This will lead more families and individuals to be in crisis. This policy should be reversed.

Pay equity: This act and its regulations are the biggest threat to the stability of our organization and our sectors. The current targets are not realistic, but are driven by the act and its regulations. Our capacity to maintain current levels of service will be drastically reduced. We will not be able to compete in the child care business against agencies who do not have the same pay equity obligations.

Current government practice is that they do not provide funding for proxy pay equity for these two sectors. Without funding, supports in the developmental sector will be eroded at a time when people waiting for services grows. For the children's services sector, the community will lose valuable services. We are requesting to seek a pause on required pay equity adjustments. We are requesting a change to the proxy regulations of the Pay Equity Act, and we are requesting funding for the revised target rates identified under the amended regulations.

Social assistance review: Poverty amongst the disability community is still a significant issue, with most living at poverty levels. We must continue to advocate for improvements to the income levels for people with disabilities, as they are concerned about seeing cutbacks and not seeing improvements to their personal incomes. They are disappointed with amounts that are being targeted for earnings exemptions before clawbacks. A recent private member's bill had provided for higher increases.

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As a service provider of employment supports, we have supported many individuals with disabilities in the workplace. We encourage the government to look at how these individuals can keep more of their earnings and, as the economy recovers, how we can ensure that people with disabilities are included in the workforce.

Community Living Tillsonburg and People First Tillsonburg have had six community consultations regarding the social assistance review and recommendations. Della and Mike will now share what they heard through those community conversations.

Mr. Michael Kadey: Okay.

ODSP: The cost of living is very high for food and things that we need to live like food, paying bills etc. People don't have enough money to live. Before the end of the month, they only have approximately \$15 to \$20 left to spend. They run out of money. They may need to buy shoes etc. Where are they going to get the extra money for these things? Rent increases, transportation cost increases, heat costs—ODSP will not give us more money.

This is about the 50% clawbacks: When working, we do not need a 50% clawback. We should be able to make \$500 a month with no clawbacks. There is a private member's bill that Toby Barrett tried to pass.

Welfare to work: Not everyone can work. They have disability barriers. They are afraid that if they do not work, they will lose their benefits. Some people can only work so long, and no more than others. Others can work a longer time.

Part-time jobs: Lots of jobs out there are only for part-time. Companies will hire them for three months only. The money runs out, they have no job, and people have to look for another three-month job. This keeps going on forever. This must stop. When a company hires you, they should keep you. Thank you.

Mr. Marty Graf: Della, do you have more to add?

Ms. Della Derrough: The cost of living is really sky-high. A lot of the people that live in homes have to pay for the rent and they have to pay for their transportation to go places. They have to depend on a ride for people to take them places. I'm here to make sure that we get the cost of living, because I think we are entitled to have a cost of living, the same as you and everyone else in the room. I would like you to explain to us—some of the questions that we want to ask you—can you explain to us some of the answers?

The Chair (Mr. Kevin Daniel Flynn): Is that it, Marty?

Mr. Marty Graf: We're ready for your questions.

The Chair (Mr. Kevin Daniel Flynn): Thank you very much. You have left some time for questions; that's great. There are about four minutes. Thank you, Mike; thank you, Della; and thank you, Marty.

Mr. Shurman, are you starting off?

Mr. Peter Shurman: Sure.

Thanks very much for your presentation, all of you. We appreciate you coming here and taking the time.

You started off your presentation, Marty, by mentioning that we should be looking for revenue solutions in government. Can you give us an example of what you mean?

Mr. Marty Graf: Well, obviously, when you get decisions by CAMI to make a huge investment in their factory in Ingersoll, that's a good investment. That's going to be creating revenue for the province of Ontario and then the community. We've lost the fact that we do have to get our revenue stream back on a much more positive basis. We cannot just be looking at always saying, "You have to cut back on the services." You have to be targeting increases in the economy—certainly investments in the auto industry. You've seen the investments in green energy. A lot of those kinds of investments can pay off in getting our economy back on track.

Mr. Peter Shurman: But then you talk about priorities. Budgets—when you said "budgets," because you said "budgets" and we said "budgets"—are about prioritizing the services that we're going to provide, what we're going to do.

Mr. Marty Graf: And we're talking about the most vulnerable people in our society—

Mr. Peter Shurman: That's right.

Mr. Marty Graf: To continue to have us cutting our services at a time when there are so many complaints coming in to the Ombudsman—you can't be having both, that you're going to provide the ability for our sector to respond to these crises at the same time when you—

Mr. Peter Shurman: So here's the crux of my question and where I'm trying to lead this with you: If you're experiencing the kind of hardship that you are—and I have no doubt that you're experiencing significant hardship—do you feel that the government should be taking care of the business that exists, which includes you, before it opens up new things to spend money on?

Mr. Marty Graf: There's always going to be a balancing act. There has to be some new stuff going on—innovation, creativity, all those kinds of things. We can't stay the same, as well. We have to change and modernize ourselves too. It is balancing those kinds of challenges. You have to stabilize that which exists, but you also have to be innovative and create better ways of doing things.

Mr. Peter Shurman: In the moment we have left, Mike brought up the issue of a private member's bill that has to do with revenue earned from some kind of work—it could be part-time work—being allowed to be kept

while still staying on ODSP; in other words, not being penalized. This is something, obviously, you favour.

Mr. Marty Graf: Toby, I believe, had about \$500. BC and Alberta have \$800. Where do you think that money ends up? It's not going to be staying in their pockets; they're going to be consumers, with more dollars to spend into the economy, if they get to keep those dollars. Their lives will be better off.

Mr. Peter Shurman: Thank you very much.

Mr. Marty Graf: Thank you for your time.

The Chair (Mr. Kevin Daniel Flynn): Thank you very much for attending today. Great presentation.

Mr. Marty Graf: Thank you.

By the way, we were notified at 3 o'clock on Friday that we were going to be on, so it was a bit of a scramble.

GRAIN FARMERS OF ONTARIO

The Chair (Mr. Kevin Daniel Flynn): Our next delegation this morning is from the Grain Farmers of Ontario. Leo, are you in the room? Come on forward. Welcome. If you'd like to make yourself comfortable and introduce yourself for Hansard. You've got 15 minutes, like the previous delegation. You can use that any way you like. Most groups prefer to leave a little bit of time at the end for questions, if they can. The questioning this time will be from the NDP.

Mr. Leo Guilbeault: Okay, perfect.

The Chair (Mr. Kevin Daniel Flynn): The floor is yours.

Mr. Leo Guilbeault: Bonjour. Hey, Taras.

M. Taras Natyshak: Bonjour. Comment ça va?

Mr. Leo Guilbeault: Good, good.

Good morning. My name is Leo Guilbeault. I am a farmer here in Essex county and I'm also a provincial director on the board of Grain Farmers of Ontario. In Essex county, we grow corn, soybeans and wheat.

Grain Farmers of Ontario is an organization that represents 28,000 farmers in the province of Ontario. Of the corn, soybeans and wheat that we grow with those 28,000 members, that represents about five million acres in this province—about 2.2 million in soybeans, about two million in corn and the rest in wheat. These three commodities provide about \$2.5 billion of farm gate revenue to the farming community and about a \$9-billion economic spinoff to the province. It also creates about 40,000 jobs.

That's just in the corn, soybean and wheat sectors. If you take all of agriculture in Ontario, we contribute about \$33 billion to the Ontario economy. That's about 84,000 to 85,000 jobs. Not by a far stretch, we're one of the largest employers in this province. You get a pretty good bang for your money in return as far as economic output.

0920

GFO's mandate is to promote an innovative and successful business environment in which farmers can thrive and grow and have an opportunity for profitable growth. Our vision is to drive the Ontario grain industry to become a global leader. As you can tell by the aggressiveness of our organization with our vision statement,

it's important that government provides the relevant environment and underpinning for this vibrant industry to continue to grow. We appreciate the opportunity to come and present to you this morning.

I'd like to discuss three areas of priorities that we want to highlight. The first is the mandate of biodiesel. The federal government has mandated that biodiesel sold in Canada must contain a minimum of 2% renewable biodiesel. Two per cent of the Ontario diesel market is 150 million litres annually, which means a potential usage of 680,000 tonnes of soybeans if the biodiesel production were to take place in our province. This great opportunity for our members is also economically healthy for the province, but only if the incentives are in place to ensure the biodiesel production happens here in Ontario. Today, the province of Ontario has a 5% mandate on ethanol but no mandate on biodiesel.

The federal regulation mandates 2% biodiesel across Canada. The four western provinces have introduced their own provincial renewable diesel mandates to ensure that blending occurs in their provinces. So the west is doing what they're supposed to do but Ontario isn't. That means that biodiesel sold in Ontario is likely blended in western Canada rather than being produced here in Ontario. The little bit of biodiesel we are producing in Ontario is getting exported out west for blending purposes; we're not actually doing it here.

This creates two problems for the province of Ontario. The first problem is tax leakage. Under the current provincial legislation, Ontario exempts biodiesel from the provincial 14.3 cents per litre sales tax. This means today that part of the tax exemption subsidizes imports of biodiesel from other jurisdictions—being out west—and creates a tax exposure of almost \$23 million as a result of the 2% federal mandate. Over a decade, this exposure will lead to hundreds of millions of dollars in tax income opportunity lost by the province.

The second problem is a lack of production incentive for biodiesel plants in Ontario. There are currently 12 plants across Canada but only two in Ontario. So of the 12 across Canada, only two are located in Ontario. We would like to see that increase. We have the capability right now. We have one in Hamilton and we have one in Welland. If the mandate is put into Ontario, there are plans already in place for one to be built in Sarnia, one to be built in eastern Ontario and one to be built down in the southwest here. As we see with corn ethanol—and you're all familiar with corn ethanol, how successful that's been—it creates jobs, it creates rural income, it encourages private sector investment.

A provincial 2% mandate to match the federal mandate would be a better option for farmers and a better option for the province, as far as the tax revenue.

Further to the economic value to farmers in the province is the environmental benefit. The use of biodiesel reduces carbon dioxide emissions and greenhouse gases by 99% compared to petroleum-based diesel. On this issue, the Grain Farmers of Ontario propose that the

provincial government repeal the biodiesel tax exemption and replace it with a provincial 2% biodiesel mandate. This will increase biodiesel production in Ontario and protect our province from millions of dollars in potential tax loss. We were talking a minute ago about revenue and looking at revenue sources. Well, here's a prime revenue source that we can generate for you.

The second issue we wanted to bring up is the issue of business risk management and more specifically the Risk Management Program. In 2013, the provincial government capped their contribution to this program at \$100 million. This was just after they announced the program to be a permanent, fully funded program the previous year. So in one year they went from announcing it to be an open, fully funded program to capping it the second year.

I'm not going to go through the whole description of RMP; a lot of you are familiar with it. But it details the description of RMP, what it is and what it does for farmers. I'll let you read that at your leisure. I don't want to tie up question time with a description of the program. Basically, RMP is an insurance-based program where the farmers pay a premium, just like you do on your house insurance or your car insurance, and if there's a catastrophe in the financial markets, the insurance program kicks in. A third of the program is funded by the farmers themselves through a premium fund, and the rest is contributed through government programs.

If you look at other government programs, they're usually a 60/40 shared program with the federal government, so 60% with the federal and 40% with the provincial. We've been pulling our teeth trying to get the feds to participate in risk management programs, and you are familiar with the battles that have been going on there with them. We applaud our provincial government for maintaining the Risk Management Program, but we would like to see it go back to a fully funded program instead of a capped program.

We were promised a bankable and predictable program, and the current program as it is, capped, doesn't provide either, because at \$100 million, it would only take a little chunk of what's needed if there ever was a catastrophe. Now, we're hoping that there is not; we would rather make our monies off the market like any business would, but it's an insurance program. We don't mind paying the premium into an insurance program, but we also need the backing, a partner—being the province—to participate in the program.

It wouldn't really effect an increase in budget expenditure in most years. The five sectors that participate in the Risk Management Program are grains and oilseeds, sheep, veal, cattle and pork. It's highly unlikely that all five or six sectors are going to have a collapse in the same years, because usually when one has a tough time, the other ones are thriving, because grains and oilseeds provide the feedstock for the livestock industry. So when grain prices are high, the livestock industry inputs are high, their feed costs are high, so they're struggling, but we're not. Then the opposite is, when the prices are low,

they get cheap feed, so they're not struggling but we are. So it's highly unlikely that you're going to have a total collapse of agriculture in Ontario.

So the strain on the provincial budget would be at a minimum every year compared to what we used to do in past years before the Risk Management Program, where we used to have ad hoc payments where, if there was a problem, the federal and provincial governments would just throw X millions of dollars to the problem, hoping it goes away. That's a band-aid cure; that's not a management program. What we've proposed since 2004, when we designed this program, was that it was a risk management program. It helps farmers manage their risk and it also helps the province manage the risk, instead of throwing ad hoc money at a band-aid solution, which doesn't really solve the problem.

So the two solutions that we're looking at are, one, a fully funded risk management program like what we started with in 2012, which is an uncapped program. We're realists; we know that it always brings risk to the province when it's an uncapped program. If there ever was a collapse from two or three sectors, it could add up to a lot more than \$100 million. If we had to cap it, we would look at a \$200-million cap. We can see where it wouldn't take much more than that, because, like I explained earlier, not all sectors are going to collapse at the same time, and it's highly unlikely that we would even reach the \$200 million in any given year. But giving the province a little bit of stability—you know, we could see where the province would want a cap on any type of program, so \$200 million would be more acceptable to our industry, being the size of the industry that we are, than \$100 million would.

Then the third issue is research. Research is very important to any industry, but especially to farmers, because every year the crops change, the weather changes, and diseases and patterns change, so the need for research is an ongoing need within the agricultural industry. Our farmers are in a highly competitive environment also because it's a global industry. Private industry has invested a significant amount of dollars; there are a lot of major international companies out there that do participate in the agricultural sector.

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The need for public funding is also important because it's an alternative to the private sector money. As we all know, the Monsanto and DuPonts and other multinationals are in it to make a buck, and the only way to make a buck is on the farmer's back because we're their final customer. But we need an alternative to that, which is our public-funded breeding program, which is run through our provincial and federal research farms. So there's a need to keep funding those.

Basic research into agronomy is a primary root of agriculture, because if we don't keep on the cusp of new technology, new varieties, new hybrids, new disease resistance, herbicides and plants, we're just going to go backwards instead of going forward. So we encourage the government's participation in public research pro-

grams and encourage you to keep supporting our research stations within the province of Ontario.

That's a really fast presentation of what's in the pamphlet. I think there's a seven- or eight-page handout there that has a lot more detail for you, and you can read that at your leisure. With that, I'd like to thank you for the opportunity of presenting this morning and open it up to any questions here.

The Chair (Mr. Kevin Daniel Flynn): That's great. Thank you. Good timing—we've got about two minutes left for the NDP. Taras?

Mr. Taras Natyshak: Thank you, Chair. Leo, thank you so much for attending today and presenting. Thanks for the work that you do on behalf of Grain Farmers of Ontario, always continuously educating various levels of government on the needs of our farmers in not only Ontario but, of course, the entire country.

Undoubtedly, agriculture is the most important sector, industry, in our country. I say that with a large degree of certainty because, if you cannot, as a country, produce your own food and add value to it, you are vulnerable as a nation; your sovereignty is actually vulnerable. So I know that the work that you do goes far beyond simply the economic aspect of maintaining agriculture in the province. Safety—food safety, food security—that's really at the root of what you're educating us about. I've read this stuff a million times, and I'll continue to read it. Are there any other sectors under the Risk Management Program that have been excluded, that were excluded, that you could see potentially being brought into the envelope?

Mr. Leo Guilbeault: There are a lot of smaller sectors, like the oats and the barley and that. Those are sectors that were going to be probably taken—they've asked to be involved in the Grain Farmers of Ontario blanket.

The way Grain Farmers of Ontario was formed was that the previous three organizations—corn, soybean and wheat—were three separate organizations before, and we combined all three to become the Grain Farmers of Ontario, which brought a lot more unity and strength to the industry in Ontario. So a lot of the smaller sectors that don't have an active board but need representation are asking us to see if we would be able to help them along—oats and barley and a lot of those smaller sectors. So they're going to be incorporated within us as the years go by. We're in our third year of Grain Farmers of Ontario, so we've got it pretty much figured out, and we'll be looking at offering those opportunities to other sectors.

Mr. Taras Natyshak: That's the bell.

The Chair (Mr. Kevin Daniel Flynn): Good timing.

Mr. Taras Natyshak: Thank you, sir.

Mr. Leo Guilbeault: Thank you.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Leo, for coming today.

ONTARIO PROFESSIONAL FIRE FIGHTERS ASSOCIATION

The Chair (Mr. Kevin Daniel Flynn): Our next delegation this morning is Ed Dickson and Mark McKinnon from the Ontario Professional Fire Fighters Association.

Come forward, gentlemen. Make yourselves comfortable. If you would introduce yourselves for Hansard. Fifteen minutes—use it any way you like. The questioning this time will come from the government side.

Mr. Mark McKinnon: Thank you. Good morning. I'm Mark McKinnon, president of the Ontario Professional Fire Fighters Association, representing just over 11,000 professional career full-time firefighters in the province of Ontario. Our members provide emergency response, training, prevention, inspection, public education, fire investigation, emergency communications, dispatch and maintenance for much of Ontario's fire services.

Our members are represented by 80 associations, 77 of which are municipal fire departments; two airports, Pearson and Ottawa international; and one industrial fire service. By the latest census, our 77 municipal associations provide emergency response to approximately 81% of Ontarians.

With me this morning I have Ed Dickson. Ed is president of the Windsor Professional Firefighters Association. Ed is also one of our OPFFA advocates, and by that I mean Ed is one of our firefighters who present, on behalf of firefighter associations, evidence and arguments to boards of arbitration. When we participate in arbitration, about 90% of the presentations to the arbitration board are actually firefighters themselves making those presentations. On rare occasions, our locals will use a firefighter who became a lawyer to do it. I think it's an important point that as I talk about arbitration, I highlight the fact that we do the work ourselves and make the actual presentations to arbitration boards.

This morning we would like to spend a few minutes talking about two topics of interest and concern to Ontario's professional firefighters, these being a request that you recommend extending occupational disease coverage for firefighters by six more cancers, those being multiple myeloma, lung, skin, testicular, breast and primary-site prostate cancers. The second matter we would like to discuss is interest arbitration as it relates to firefighters and resolving collective bargaining impasses.

The reason we raise the issue of interest arbitration here in these pre-budget consultations is that in last year's strong measures act, or the provincial budget, a set of amendments to six statutes was introduced, and if you're following my presentation, you can see I've listed the six acts on page 2.

While the proposed amendments were removed from the budget in committee by the opposition parties, we understand that the intent of the government is to reintroduce similar changes.

Let us start out by being clear: We believe that the system is not broken. The interest arbitration system is set up to settle collective bargaining impasses with a goal of having an arbitration board replicate what they believe the outcome would have been, should the dispute have been settled through collective bargaining.

From our own internal review, in comparing the result of freely negotiated firefighter settlements with arbitrated decisions, over the most recent eight-year period, we believe the difference is only 0.16%. By that we mean that arbitrated awards have been, when averaged, only 0.16% higher than the freely negotiated settlements. I would say that indicates that arbitrators are performing as they should, and the system is doing what the system is designed to, and that is replicate freely negotiated bargaining.

Speaking to and referencing interest arbitration in a broader sector, attached is appendix A, which is one of my first three attachments. I apologize for the quality of the document. Me having to do this work myself on the weekend, and my use of Excel, did not allow me to capture the title and some other things, but you can see what I've printed on the top as the source of the document.

It shows a comparison between interest arbitration awards and negotiations in the private and broader public sector, and in the broader public sector in the right-to-strike and/or lockout category versus emergency services or essential services, which have compulsory arbitration.

When you review the statistics in this document and chart, which is prepared by the Ministry of Labour collective bargaining information services department—and I'm only highlighting the last 10 years. You can see that the document goes back I believe to 1991. But in highlighting the last 10 years, the total broader public sector wage increases averaged 2.9%; in the right-to-strike or lockout category, it was 2.95%, and in our sector, the essential services, it was 2.93%—for all intents and purposes, the same.

Recently there has been much reference to the Drummond commission and the review of interest arbitration. We remind you that the Drummond commission came to the conclusion that the interest arbitration system is not broken. The commission said, and I quote from page 371 in chapter 15 of the commission's report: "Our research leads us to make recommendations to improve the arbitration process. But we hasten to add that we do not find the system to be broken."

There has also been much said about, and focus on, the ability to pay, or the inability to pay, and the economy. I think it is important that we also remind you that the current language in our current act already includes criteria relating to ability to pay and economic conditions.

I refer to section 50.5(2) of the Fire Protection and Prevention Act, which outlines the "duty of board" and which lists five criteria the board shall take into consideration. I am quoting the act when I say, "In making a decision, the board of arbitration shall take into

consideration all factors the board considers relevant, including the following criteria:

"(1) The employer's ability to pay in light of its fiscal situation.

"(2) The extent to which services may have to be reduced, in light of the decision, if current funding and taxation levels are not increased.

"(3) The economic situation in Ontario and in the municipality."

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Then the criteria go on to include comparisons between firefighters and other public and private sector workers and the employer's ability to attract and retain firefighters. So, clearly, the act includes ability to pay and economic conditions as criteria to take into consideration. The irony is that municipalities, for the most part, do not produce hard economic data during the arbitration process to support an inability-to-pay argument, and then, for political purposes, criticize the system.

Another aspect of the arbitration process that was to be amended in last year's provincial budget was with regard to timelines. It was proposed that an arbitrator would be required to issue their award within 12 months—later changed to 16 months—of referral. Should the arbitrator not issue their decision within the specified time frame, the matter would be referred to the Ontario Labour Relations Board for a quick resolution. Issues in dispute and before arbitration boards can be complex operational issues or very sector-specific. There may be expert witnesses or detailed evidence presented. The OLRB does not have experience or expertise in interest arbitration.

Secondly, on the issue of unresolved issues being sent to the OLRB, we have serious concerns with regard to the independence and impartiality of OLRB members, as they are permanent appointees and thus dependent on the government for their economic livelihoods. It would be in their best interests to ensure that those that appoint them are happy with their decisions, not necessarily workers on the other side of the table. This is to be compared with the current process under which interest arbitrators are either agreed to by the employer and associations or are appointed from a list of arbitrators that are pre-agreed to.

Society has made a determination that firefighters and other essential service workers should not have the right to strike. But if that right to strike is to be taken away, it is only fair and just that a system of independent, impartial and binding arbitration be put in its place, and that requires that decisions imposing collective agreements not be made by government appointees.

This has been recognized by the Supreme Court of Canada itself. In the late 1990s, the Harris government replaced independent, mutually agreed-to and expert interest arbitrators with government appointees—in that case, retired judges. The court held that this was illegal. The court ruled that without an independent, impartial and experienced expert and mutually acceptable arbitrator, not to mention one who is not, or at least is not

perceived to be, “a surrogate of either party or of government, or appointed to serve the interests of either party or of government,” the system “loses the trust and confidence of the parties, elements essential to industrial relations peace and stability.... A lack of confidence in arbitration would invite labour unrest and the disruption of services, the very problem impartial interest arbitration was designed to prevent.”

If the government is intent on introducing a mechanism to ensure timelines are met, methods other than referral to the OLRB must be investigated.

So I wrap up my comments on the issue of interest arbitration by reaffirming that the system is not broken; it is doing what it is designed to do. The system can sometimes be lengthy and cumbersome, but sometimes there’s a price to pay—and by that I mean a lengthy process—for a well-thought-out, fair and balanced dispute resolution system that respects both sides while remaining independent.

The second issue we raise today relates to firefighters, occupational disease and presumptive legislation. Presumptive legislation is defined as legislation that links a specific occupation, such as firefighting, with a disease or condition that has been shown to be a hazard associated with that occupation. An example would be that of colon cancer being included in presumptive legislation for firefighters. This would mean that if a firefighter contracts a disease such as colon cancer, it is presumed that the illness is the result of occupational exposure to chemicals and toxins. There are qualifying conditions, however, that need to be met, usually relating to years of service.

Even with the best respiratory practices and protective equipment, exposures will continue to occur due to absorption through the skin once a firefighter has become soaked during fire suppression activities. The concentration of chemicals in today’s materials is much higher than in the past due to increased use of composite materials.

Epidemiological, medical and scientific studies conclusively demonstrate an increased rate of diseases such as cancers in the firefighting population versus the general population. The medical evidence shows that firefighters have anywhere from two to four times the risk of cancers compared to the general population. If you factor in the healthy worker effect, which means that generally firefighters are a healthier study group than the general population, the rates are higher.

The majority of provinces and territorial jurisdictions across Canada have recognized that firefighters are at an increased risk for certain cancers and heart injuries. The chart I’ve included, which is appendix B, shows how Ontario compares with other jurisdictions across Canada. With the exception of Nova Scotia, Ontario lags behind all other provinces with respect to occupational diseases as a result of firefighting.

In 2007, with all-party support, Bill 221 passed through the Legislature, and amendments were made to

the WSIB to include eight cancers and heart injury as presumptive occupational diseases for firefighters.

We thank the government for introducing Bill 221, we thank Ms. Horwath for the Bob Shaw act prior to that and we thank all members of provincial Parliament for supporting that bill. It was a good start but fell short of recognizing those occupational diseases that needed to have been recognized.

We are now moving forward and have received support from members of all three parties, working to include the six more cancers necessary to ensure that all diseases that have been incurred as a result of firefighting are covered. The six additional cancers that we identified that need to be included within the regulations with respect to the legislation are lung cancer, multiple myeloma, breast cancer, testicular cancer, skin cancer and prostate cancer. I have attached, as the last two pages of the presentation, a summary of each of those six cancers for your information.

We are here today to ask the committee to recommend in its report that the upcoming provincial budget include the provision of occupational disease coverage for firefighters for these six new cancers. Further, we ask the committee to consider recommending that the government provide funds to assist WSIB with the financial impact on their unfunded liability as a result of coverage for occupational diseases relating to these six cancers.

We thank you for your time today, and we’d be pleased to answer any questions.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Mark and Ed. Dipika, we’ve got just over two minutes.

Ms. Dipika Damerla: Thank you so much, Mark and Ed, for coming and for everything that you do. It’s really appreciated. I just had a couple of quick questions. One, I just wanted to know: You mentioned briefly that if you want to reduce the time during interest arbitration—and I hear you when you say that the OLRB doesn’t have the expertise to deal with it. But you then said that the government should look at other options, and I just wanted to know if you wanted to elaborate on that.

Mr. Mark McKinnon: Yes. This is not an issue that’s solely in Ontario. In Quebec, there was a similar issue, and I believe what happened in Quebec is, they decided to publish publicly, on the Minister of Labour’s website, the arbitrators and how long they took to issue awards, therefore letting peer pressure—municipalities or employer-employee groups would look and say, “Maybe we want to avoid this arbitrator because this arbitrator takes far too long.” So that was the way it was dealt with in Quebec. There have been other suggestions that the arbitrators be paid for mutually by both sides, but there could be small fines imposed when timelines are not met.

We’re open to discussing what mechanism you put in place; it’s just that the OLRB is not the one that we feel would keep the system fair and impartial.

Ms. Dipika Damerla: But you do agree that things are taking a little longer than they should?

Mr. Mark McKinnon: Our current act, I believe, says 90 days.

Ms. Dipika Damerla: What's that?

Mr. Mark McKinnon: Our current act says 90 days. Now we're looking at—a year is not even really workable. A year is not workable from the referral, but a year may be workable from the date of last hearing. If you take a year from the date of referral, you've got a month or two months or three months that it takes the municipality and the association to pick an arbitrator or the government to appoint one, and now you've impacted the chunk of time the arbitrator has, through no fault of their own.

We're willing to continue talking and finding out what mechanism there is in place, because certainly our members have concerns with some of the time frames as well that it takes to get awards out.

Ms. Dipika Damerla: Do I have time for another question?

The Chair (Mr. Kevin Daniel Flynn): If you can do it in about 12 seconds.

Ms. Dipika Damerla: In that case—

Mr. Mark McKinnon: It had better be a “yes” or “no.”

Ms. Dipika Damerla: We can talk offline. Thank you so much for coming.

The Chair (Mr. Kevin Daniel Flynn): That's great. Thank you, Mark and Ed, for coming.

Mr. Mark McKinnon: Thank you. Good luck in the rest of your week.

CANADIAN DOCTORS FOR MEDICARE

The Chair (Mr. Kevin Daniel Flynn): We were expecting someone to confirm at 9:45. They have advised that they aren't coming, so we're going to move on to Canadian Doctors for Medicare. Ryan, are you with us? Wonderful. If you'd come forward and make yourself comfortable; maybe introduce yourself for Hansard. You've got 15 minutes. Perhaps leave a little time for questions towards the end, but that's entirely up to you. The questioning this time will come from the Progressive Conservative Party.

Mr. Ryan Herriot: Can you hear me?

The Chair (Mr. Kevin Daniel Flynn): Yes, perfectly.

Mr. Ryan Herriot: Hi. My name is Ryan Herriot. I'm a medical student here in Windsor—in my final year, in fact. I'll be graduating in just a few months. I'm also a board member for Canadian Doctors for Medicare. On behalf of the organization, I'd like to thank you for the opportunity to appear before the committee today.

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Canadian Doctors for Medicare is a large, physician-led organization supported by thousands of Canadians that advocates for the improvement of our public health care system. As someone who will be commencing a family medicine residency shortly and then entering practice not long after that, I well know that we have big challenges ahead of us facing our health care system here in Ontario.

Today, we would like to call your attention to three major areas: first, the ongoing shift from hospital-delivered to community-delivered care; second, the spectre of means testing in the delivery of services; and third, the productive role that innovation may play in the future of our health care system.

As I mentioned, one significant challenge we face is the shifting of care from hospitals to communities. Canadian Doctors for Medicare agrees that, where appropriate, we should shift from expensive acute care models to more affordable and efficient community care models. However, we need to make this shift in a planned way, to make sure that people are still receiving the quality, co-ordinated care they expect from qualified health professionals. And we need to follow through on the commitment in the action plan for health care to use non-profit delivery of services to ensure that patients come before profits.

We know that Ontarians would prefer to be cared for at home and that home care is often more appropriate than hospital or long-term care for many seniors. However, Ontarians also demand, quite appropriately, that the quality of care is just as good at home as it is in other settings.

Right now, this ideal of quality home care is under threat, as lower wages and riskier working environments raise the possibility that the quality of care will be negatively affected as services are moved from hospital to community settings. Personal support workers in the community are paid significantly less than their colleagues in hospitals and in long-term care, and often are not paid at all for the time it takes to travel between patients.

If a worker has the requisite skills and education, they will of course seek out the higher-paying jobs in hospitals and long-term-care homes. This leaves less-skilled workers to deal with the same kind of work in the community, and it contributes to labour instability. In other words, we firmly believe in equal pay for equal work.

Ensuring that we have a skilled workforce providing quality care for all may require some additional investment but would result in less expense than care delivered in acute settings—in other words, hospitals.

We would also wish to highlight that the current rapid privatization of this field may lead to increasing inequities in care and quality of life. We must ensure that a transition to more community-centred care is not used to do an end run on the principle of accessibility.

As mentioned, I'd also like to discuss with you the concept of means testing in health care; that is, the cutting-off of services once a certain income threshold is reached. This idea was recently discussed in the government's report on seniors' health entitled *Living Longer, Living Well*.

We caution the Ontario government to consider the effects on access and uptake of programs and services when implementing either income testing or copayments. Evidence shows that there can be adverse effects of

defunding or income-testing services when this policy applies only to a segment of the population.

A good recent example is some research which has demonstrated that many Ontarians with diabetes who were eligible for publicly funded eye exams have not been getting those exams. Why? Because they did not believe that they were eligible once the province had delisted eye exams for the general population. In addition, copays for lower-income patients generally result in less uptake of services by those in greatest need.

Evidence also shows that universal programs provide better access to care for everyone, and that the administration costs of means testing often negate any purported savings afforded by such measures.

Finally, we would like to turn the government's attention towards new ways we can be delivering care more efficiently and more effectively. New technology, of course, can be incredibly useful, but it's even more useful if professionals using it are finding smart ways to put it to the best use for their patients.

The way we work has a dramatic impact on the way patients experience our health care system and on their health itself. I'd like to highlight an e-consultation project in the Ottawa region as one good recent example.

Before this project began, family physicians seeking specialist input for a complex health issue typically sent a paper referral via fax to the relevant consultant physician. Ottawa's e-consultation project brings that process into the 21st century. Now, an Ottawa primary care physician has the option to do something entirely different. Through a secure online portal, they send the specialist details of their patient's health history along with questions around the unresolved health concern. Rather than waiting the average three and a half months for a patient to see the specialist, the project has reduced the turnaround time of the consultation to less than one week.

In addition to drastically reduced wait times, the e-consult project has resulted in the elimination of 43% of the traditional paper referrals and in-person specialist visits. For referrals that were still needed, family doctors were better able to prepare patients through suggested lab tests and imaging studies. This project improves access to care, and both primary care physicians and their specialist counterparts feel like they are better able to determine what is best for their patients and that they are working together more efficiently.

Clearly, this kind of innovation both reduces wait times and saves money. Sometimes it's just those one or two questions that can make the difference between putting a patient on a lengthy waiting list or sending them home with a prescription or to a lab for further testing. But it requires, first, that e-consulting is included in payment models for physicians. Second, it requires a little bit of investment on the part of the government. In this case, however, the payoffs were huge.

Virtual wards are another innovation that requires changing the way we work. Patients who are at high risk of being readmitted are provided with follow-up care at home and are able to call their health providers when

they have questions. It's an idea that has helped keep patients out of hospital, connected them to community care, and kept them from falling through the cracks.

As you can see, innovation in health care is not just about the newest developments in information technology. So often, it's about finding better ways to work together and to use the tools and technology already at our disposal. It's fundamentally about changing the way we approach health care: moving towards integration, coordination and collaboration.

We encourage the Ontario government to continue investing in models like these that make the best use of existing technology. Small investments in these kinds of projects can produce big results and big savings down the road. Sadly, we are too often a nation of successful pilot projects that are never scaled up, leaving local jurisdictions to continually reinvent the wheel.

Canadian Doctors for Medicare is committed to finding ways to protect and improve our public health care system, and we'd like to thank the committee for allowing us to share our ideas today. Thank you for your time.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Ryan. You've left about seven minutes for questions.

Who's going to start off? Monte?

Mr. Monte McNaughton: Sure. Thank you very much. Thanks, Ryan, for coming in and presenting to us today.

I just wanted to get your opinion on a couple of things. We know by your report that you're talking about equal pay for equal work for home care versus in-hospital. Do you have any opinion on, I believe it was 2010, when the provincial government brought in a pay freeze for non-union employees yet went ahead and continued giving pay increases to unionized employees in hospitals? I wondered if you had an opinion on that.

Mr. Ryan Herriot: I can't claim to be very well informed on that particular issue. I think, as a general principle, we would support people doing the same work getting paid the same amount.

Mr. Monte McNaughton: The reason why I asked that is, I represent a riding not too far from here, and it's one of the things I hear from my hospitals: that there was a double standard when that pay freeze came in for some but didn't come in for others.

Secondly, I wanted to get your opinion on the layers of bureaucracy within the health care system. I wondered if your organization had an opinion, firstly, on the local health integration networks, the LHINs, and also on CCACs.

Mr. Ryan Herriot: I think our organization is generally supportive of those structures as far as—it's really important to have someone quarterbacking care in the community and coordinating services locally.

I think the one thing I would add is what I mentioned at the end of my presentation. Often, really great initiatives are born locally and then are not replicated across the province or across the country. I think that those are

great mechanisms for coordinating care locally, but ideally, the best ideas would be taken and replicated.

Mr. Monte McNaughton: What do you think about this opinion that there are hundreds of millions of dollars on an annual basis going into layers of bureaucracies, yet that money could be more effectively spent delivering front-line health care services? In my riding in particular, I'm most familiar with southwestern Ontario, where many doctors and many front-line workers feel that there's lots of money being directed to upper layers of management—to bureaucracies—but not enough to front-line patient care. Do you think priorities are often wrong in Ontario?

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Mr. Ryan Herriot: It's difficult for me to say. There's always going to be that clash of perspectives between the front-line worker who would like to care for the patient in front of them and someone else who's thinking more systemically. I cannot say whether the balance is right currently. I don't know, to be honest.

The Chair (Mr. Kevin Daniel Flynn): Go ahead.

Mrs. Jane McKenna: I just wanted to mention this: I'm from Burlington. We're grateful that you have these innovations, but you have to be able to facilitate them. The people who want to stay at home are not being able to be supported in that area because of the monies that we've obviously wasted.

We have a lady who—the other day, when I was actually there with my husband—had come in with an ambulance for the seventh time that week, just because she was unaware of her medication and what she could do and how to flip it around. She was 83 years old and sat in the emergency room for, I think, nine hours. If we're going to be able to have these services, we can't be tying up the ambulance who has gone over to her house and who has brought her back into the emergency room.

We've got to be able to have a system, right? You have to have evidence-based, concrete information with outcomes, so you can clearly facilitate those great innovations. Unless we figure out how to get the monies to the patients who are the front line, and make sure it follows the patient and not the bureaucracy, I don't know how we're actually going to turn that around. Any suggestions?

Mr. Ryan Herriot: I'm not sure what the question is. You're asking for my suggestions for how we can do that?

Mrs. Jane McKenna: Yes.

Mr. Ryan Herriot: It would be, as you were saying, irresponsible to transfer responsibility of care to the community without ensuring that quality. Making sure that the funding is there for home care nursing, personal support workers and those sorts of things—it would be a shame to save the system money if it's doing it at the expense of quality care. We would want to make sure that commensurate investments were being made in various home care services, as well as primary care; a lot of this comes down to having either a nurse practitioner or a family doctor who is quarterbacking things and providing

good primary care to prevent those frequent readmissions to the hospital and so on.

Mrs. Jane McKenna: I agree with what you're saying, because if you look at having somebody right now—the government has said to have a doctor come for house care. I think they're waiting up to a year and a half to have someone be able to come to their home, to be able to see them. I fully appreciate what you've come in and said, but I think the reality is that we have to get the monies back to the front line, look at getting rid of the bureaucracy so that the people deserve the health care that they need to have. We have to just make sure that we're able to do that. I appreciate you coming in and saying what you had to say, though.

Mr. Ryan Herriot: Thanks.

The Chair (Mr. Kevin Daniel Flynn): There's about a minute left. Anybody have another question? If not, thank you, Ryan. We appreciate you attending today.

Mr. Ryan Herriot: Thank you.

The Chair (Mr. Kevin Daniel Flynn): Our next delegation this morning is from the Windsor-Essex Family Network. Is Michelle Friesen in the audience?

ONTARIO HOME RESPIRATORY SERVICES ASSOCIATION

The Chair (Mr. Kevin Daniel Flynn): How about the Ontario Home Respiratory Services Association? Are you set to go, Michael? I know we're pulling you forward a little early.

Mr. Michael Pohanka: I could be set to go, Mr. Chair.

The Chair (Mr. Kevin Daniel Flynn): Perfect; okay. That will help keep us on schedule; I appreciate that. We'll change things around a little bit.

You've got 15 minutes, like everybody else. If you would introduce yourself for Hansard. Use that time as you wish. The questioning goes next to the NDP.

Mr. Michael Pohanka: Thank you. My name is Michael Pohanka, and I'm a lifelong Ontarian—born here in Windsor; a resident of London. I'm here today as chair of the government relations committee for the Ontario Home Respiratory Services Association. We do home respiratory care. My day job is as vice-president of ProResp Inc., which is the largest Canadian-owned provider of those services. Just following up on the last presentation, I am a past president of the Ontario Home Care Association, so it was interesting to hear a lot of questions about home care.

I want to thank Mr. McNaughton's office for emailing me about this opportunity last week. Like the others, I feverishly put something together.

I understand it's your birthday?

Mrs. Jane McKenna: Yes, it is.

Mr. Michael Pohanka: Read that into Hansard: Happy birthday.

Mr. Monte McNaughton: How did he know that?

Mr. Michael Pohanka: I kind of overheard it this morning.

Mr. Monte McNaughton: I'm like, "I hope my staff didn't put that in the email."

Mr. Michael Pohanka: No, it wasn't in there.

I apologize that I'm going to read from the remarks I prepared, because we just put them together.

Both Health Minister Matthews and Premier Wynne have publicly recognized the vital importance of the home health care sector within Ontario's overall health system, as indeed have the other parties. Ontarians prefer to receive care at home wherever possible, maintaining their independence and proximity to family and friends. As has been noted earlier, home health care is also cost-effective in comparison to institutional care delivered in hospitals and long-term-care homes. Technological advances are enabling an ever-broadening spectrum of complex medical conditions to be treated safely in the home setting.

A little bit about our organization: We provide home respiratory care to over 23,000 oxygen-dependent Ontarians suffering from severely impaired lung function, which compromises their ability to breathe independently. Our services include the provision and ongoing maintenance of appropriate oxygen delivery equipment; instruction in the safe operation of the equipment; an overall assessment of safety in the home; development and monitoring of a client-centred care plan; visits by a regulated health professional, usually a registered respiratory therapist and, in some cases, a registered nurse; and 24/7 on-call emergency response. This bundled package of services and equipment is delivered at a cost to the province of approximately \$13 per patient per day.

A little bit about COPD, or chronic obstructive pulmonary disease: It is a chronic, progressive respiratory disease largely caused by smoking. It's incurable, but it can be prevented largely through smoking cessation, which this province has done an excellent job of. It can be improved with treatment. In a recent study, the Institute for Clinical Evaluative Sciences found that approximately 10% of adult Ontarians live with this disease. Although mortality rates have been decreasing, prevalence and incidence rates have been increasing.

COPD is one of the most significant economic and chronic health burdens in Ontario. It's the fourth-leading cause of death among adults and the leading cause of hospitalization in Canada. It's actually projected to be the third-leading cause of death by the year 2020 and, interestingly, the only one in the top 10 that's increasing in incidence.

The Ontario Lung Association has found that public awareness of COPD prevention, detection and treatment is low, and in the absence of coordinated care, patients are faced with a variable patchwork of services across the province. Health Quality Ontario found that COPD is now the most common ambulatory, care-sensitive condition where the availability of appropriate care in the community to improve results may prevent hospitalization.

I'd like to emphasize that last piece: If we can help these people deal with their chronic disease in the com-

munity, we can keep them out of hospital. A lot of the issues are exacerbations of the disease because they haven't been instructed as to how to properly manage it. One in five patients with COPD is readmitted to hospital within a month of discharge, and this is an area where there are opportunities for improvement.

We have lots of ideas for opportunities, but we decided to highlight one today, and that is short-term oxygen therapy. The present Home Oxygen Program of the Ministry of Health and Long-Term Care is an excellent one. It provides funding for two groups of oxygen-dependent individuals. There's the long-term chronic group that has severe lung impairment. They're on oxygen on a chronic basis. They're going to be on it the rest of their lives. These are based on internationally recognized scientific studies that were done that show that oxygen improves mortality and morbidity in this patient group. That's the basis that most countries in the world fund home oxygen on, and Ontario is no different.

There's also another group for palliative care where the province funds up to 90 days of oxygen therapy for palliative clients. That's to enable the government's wish that palliative patients be able to die at home wherever possible. Sometimes oxygen can be beneficial in aiding in breathing and in symptom relief, so that is there.

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The missing piece is in short-term oxygen. I've said, what about Ontarians who have mild to moderate lung disease? They have lung impairment but they don't need oxygen on an ongoing basis, but then they get an exacerbation; they get pneumonia or they get the flu at this time of year and they go to hospital. The hospitals call them "frequent flyers" because they're in there two or three times a year with exacerbations. When they're hospitalized, they're hospitalized for longer than a normal admission, so the lengths of stay are longer and it's quite a cost to the system.

In 2005, the ministry established a two-year pilot project that provided funding assistance for short-term home oxygen therapy; they funded it for up to 60 days for exactly those individuals in order to avoid hospital admission or facilitate early discharge in what was called the Hospital Replacement Program. I didn't name it; they thought that was a good name. During the two-year pilot, the industry treated about 1,100 individuals. The most common diagnoses were exacerbations of their COPD or pneumonia.

At the end of the two-year period, the ministry terminated the program and engaged an external party to evaluate it. The evaluation was very favourable. They found that the Hospital Replacement Program had been a cost-effective alternative to the provision of hospital stay. They compared the groups and they found that the average length of stay was 8.5 days for patients who were not able to access short-term oxygen therapy. When we took them home on short-term oxygen, the average length of stay was 5.3 days, so we were able to knock a little over three days off. The evaluation concluded that the average total program costs were approximately 20%

reduced for the group that went home on short-term oxygen therapy. So you had the savings of a little over three days of hospital stay at, say, \$1,000 a day in hospital. Against that was the cost of 60 days of home oxygen provision and any additional home care that may have been required. Usually, they'd get a nursing visit or two. Generally, they would get antibiotics in hospital and then go home on oxygen for 60 days.

Other key findings were that patients reported improved quality of life, a more rapid recovery in home than in hospital. A majority did require some nursing care in the home.

We got significant support from clinicians, hospital discharge planners and community care access centres that the program was valuable and they recommended that it be implemented. But despite that, the program was never implemented. Recently, we worked with the Ontario Lung Association and they commissioned an independent review of expert literature on acute short-term oxygen therapy. They did a search throughout the world and found that short-term home oxygen therapy can yield significant benefits to individuals with an acute respiratory illness. It suggested more effective management of health care resources and care, contributing to significant savings in provincial health care costs. That was consistent with the evaluation of the Hospital Replacement Program in 2007.

Now, they throw out some pretty large numbers here. This was done by Risk Analytica, and I do have a copy of the report and we'll post it on our website. It said that even at modest levels of utilization, where short-term home oxygen therapy would be used by about 50% of patients with COPD, it could result in annual savings—and they estimate \$200 million to \$250 million now, projecting out to \$1.3 billion by the year 2040, as COPD continues to increase.

We've included our rationale here for the reintroduction of this program on a province-wide basis. The availability of short-term oxygen therapy for individuals with an acute respiratory illness is consistent with current provincial strategic health priorities, particularly those related to the recently announced Seniors Care Strategy and the recent introduction of Health Links, which are focused on the provision of integrated community-based care for individuals with chronic illnesses. Short-term oxygen therapy should be one of the tools available to physicians and Health Links to optimize the provision of care to those individuals.

Both the ministry's independent evaluation of the 2005 pilot program and the expert review of international literature have found that there are significant benefits to patients, and it would support the effective utilization of health care resources.

The Chair (Mr. Kevin Daniel Flynn): Just so you know, Michael, you're down to four minutes.

Mr. Michael Pohanka: Okay; I'm almost done.

Let me just get to the bottom line: Hospital funding has been frozen, but their costs continue to rise. Hospitals are moving to quality-based procedures funding for

COPD—that's a capitated funding—and hospitals need the flexibility to shift care to the community where feasible. That was talked about in the previous presentation.

Our recommendation is that short-term oxygen therapy be added to the current Home Oxygen Program—which covers long-term and palliative oxygen—as a third arm, and we've recommended that to the Ministry of Health. In return, our industry is willing to be held accountable for the client outcomes and for the hospital sector savings, where we've advocated to the ministry that we measure this and report back because we want to be able to demonstrate the value that we can provide.

Thank you for your time. I would entertain questions.

The Chair (Mr. Kevin Daniel Flynn): That's great, Michael. You left about three minutes for questions. It goes to the NDP this time, Michael?

Mr. Michael Prue: Thank you very much for the presentation. I kept thinking, "This is a finance committee," and I was waiting for the number, but you finally said it: \$200 million to \$250 million in potential cost savings right away. How does that manifest? How does that happen? The hospitals don't have to spend it—

Mr. Michael Pohanka: Correct.

Mr. Michael Prue: —and you would spend a lot less? Just give me the numbers, how they work.

Mr. Michael Pohanka: The savings arise from freeing up bed days in the hospital or avoiding ER admissions. A lot of times, these patients will present at ER. They're short of breath; they're chronic COPD people. They can't send them home, so they admit them on oxygen, and that's one of the main reasons they admit them. As I said, they may administer antibiotic therapy. But we could get them home quicker, so the savings come from freeing up that bed.

We used to say, "You only get the savings if you close the bed," but I think now, with the hospitals having their funding frozen, they're all trying not to run a deficit, and some of them have been reporting layoffs of people. If we can free up these beds sooner, it's going to take some pressure off the hospitals.

Mr. Michael Prue: What is the technology like? I've seen people with oxygen in rooms; you knock on doors and people come. Some of them have little wheels that they walk around with. What is the technology involved? I would assume most people are capable of handling it on their own.

Mr. Michael Pohanka: Part of our service is to instruct them as to how to use the equipment safely. The main thing is to get them not to smoke around it, because it's 100% oxygen we're delivering. But the technology has really evolved. It has become more portable. My father-in-law is in a nursing home here in Windsor on oxygen, and we have him on a concentrator, which plugs into a wall and delivers 100% oxygen to him. But he also has a portable system so he can go down to the dining room for dinner.

Mr. Michael Prue: Those would be my questions.

The Chair (Mr. Kevin Daniel Flynn): Very good.

Mr. Taras Natyshak: Is there any more time?

The Chair (Mr. Kevin Daniel Flynn): There are about 30 seconds. You can get a quick one in.

Mr. Taras Natyshak: Thanks, Michael. You mentioned reporting. Do you currently do reporting on long-term therapy and mid-term therapy?

Mr. Michael Pohanka: On patient outcomes?

Mr. Taras Natyshak: Yes.

Mr. Michael Pohanka: No. We've got a separate proposal to the ministry that they've agreed to work with us on now, and that's to get independently administered, province-wide client satisfaction surveys done, and then to develop system indicators that would be measured. So things like access to care: Are they able to access within a couple of hours—I guess my time is up.

The Chair (Mr. Kevin Daniel Flynn): If you had a few words to just wrap that up, that would be fine if you wanted to summarize.

Mr. Michael Pohanka: We're working with the government now to develop system indicators that would be measured to hold us accountable for the results that we think we can achieve.

The Chair (Mr. Kevin Daniel Flynn): That's great. Thank you, Michael. Thank you very much for being here.

Mr. Michael Pohanka: Thank you for the opportunity.

The Chair (Mr. Kevin Daniel Flynn): And thank you for moving ahead a little bit. It helped us.

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WINDSOR ESSEX FAMILY NETWORK

The Chair (Mr. Kevin Daniel Flynn): Okay, our 10:15 is here now: Michelle Friesen, from the Windsor Essex Family Network, would you come forward? Michelle, you've got 15 minutes. You can use that time any way you like. You might want to leave a little bit of time at the end for some questions. Make yourself comfortable, introduce yourself for Hansard, and then I'll start the timer. The questions, this time, will be coming from the government side.

Ms. Michelle Friesen: Thank you very much for this opportunity. You have a green package in front of you, and initially what I'm going to do is just share a little bit about why I'm here and a bit about my daughter, which is this reason that I'm here.

First, though, I will explain that Windsor Essex Family Network is a family-to-family support network. We all have family members—particularly, daughters and sons, sisters and brothers—with disabilities. We don't offer any services, we're not a transfer payment agency; we just offer information, emotional support and family-to-family linking for people who have family members with disabilities.

I, myself, am a parent of a daughter who has developmental disabilities and has multiple complex needs. I am also the manager of Windsor Essex Family Network.

My daughter was born in 1981. She experienced a traumatic birth that left her brain-injured, and shortly

thereafter received a number of diagnoses. I remember thinking during that first year, how does the government expect us to do this? She had complex medical needs, she rarely slept, she had ongoing seizures, everything took hours; she cried all the time. We had two other preschool-aged children and we were very exhausted.

When she got closer to 18 months of age, somebody told us about a new program the government had, which was called the Special Services at Home program, which is a program that provides funding to families to pay for support workers to be able to manage at home. The sole purpose of the program, at that time, was for people to be able to keep their children at home. We applied in September 2002, and four months later heard that we were approved. During that four-month time, not knowing if we would get that funding, it became increasingly harder, and by Christmas my husband said, "I can't do this any longer. If we don't hear by the end of the year, I'm taking her to" what was Cedar Springs, just renamed Southwestern Regional Centre. I was so exhausted—and I hadn't slept yet—that I didn't argue with him. But at the very end of December, we got a call that said, "You've been approved for funding." I sit here saying to you, in that situation, clearly that funding program did keep our daughter at home.

I'm going to skip over a lot of things, but over the evolution of that program, it later was extended to adults, based on the idea that a developmental disability is lifelong and people continue to need supports after their 18th birthday.

Other versions of direct and individualized funding were created in the province and improvements were made to SSAH.

I have watched over time as all three provincial parties have joined together and supported issues around developmental disability and individuals in a non-partisan way. And that would be starting with the 25-year plan to close the institutions announced in 1987, and then again to bring it to an end recently with transformation in the first decade of this century. Again, all three parties were in support of closing those last three institutions.

So I'm here because I believe there is an opportunity for all three parties to come together again around a very important non-partisan issue, and that is to provide seamless, direct funding support to children and adults with disabilities across their life span. This would have the positive side effect of supporting families. It would also help with some of the pressures that government has around people with autism and seniors.

My daughter is 32 years old. If she was born today, she would go on an immediate wait-list for Special Services at Home. If she had been born five years ago, she would still be waiting for funding. I think that after 30-some years with our experience of how to support families, that's really difficult to know. If she had lived in another area of the province, she may not have received individualized funding as she got older and we couldn't manage; she would not have independent facilitation. She may have left high school without hope for

any additional funding through the recently created Passport program, which was intended to add on to Special Services at Home.

Today in our community, Windsor-Essex, which I believe mirrors many others in the province, 350 children have been approved for Special Services at Home and are waiting. Some have waited five years. Another 200 have been approved for additional funding for the changing and increased needs in their families and they're still waiting. Close to 300 adults are waiting for some kind of extra support after they've left high school, and some have waited six or seven years. Some are waiting for additional funding to get on with their lives and create their own home in the form of support funding. In total, close to 500 adults wait for some kind of assistance.

We have experience in Ontario and we know how to do this. We have known how to do it since 1982. We know the importance of not leaving people without funding at the end of contracts—having to reapply, losing support workers. We know that at 18 years of age, they still need support funding, and we know that when they leave school they need more.

Many different interest groups will be talking to you about people with disabilities—what kinds of programs—I'm here to say that one of the things that has been missed in investment in the last eight years has been funding that goes directly to people with disabilities and their families. Little bits have come forward, but primarily the increase in funding that has happened since the Liberals did come to power—and, you know what, they deserve to be credited for the \$575 million that has been invested. The \$275 million—you all deserve to be credited for it, because that came from the institutions and was transferred to bring people home. The balance, the majority of it, went to helping to shore up and sustain agency-based funded programs and wages, and only a small portion went to people and family who were doing it outside of the system.

So, obviously, I'm here to really push for the next round of investment for people with disabilities to be about investing with the people and their caregivers who have been doing it on their own. Some 31,000 people right now are using Special Services at Home and Passport funding, our two official direct funding programs, and 13,000 others are waiting. Those 31,000 people are being supported with \$148 million. Right now, in our province, 17,000 other people are being supported to live in agency-funded residential arrangements for \$1.1 billion.

Now, I'm not criticizing that type of support. I'm saying we have \$1.1 billion supporting 17,000 people and we have \$148 million supporting 31,000 and another 13,000 who are being said to share it. The recent decision to cut people off at 18 years of age—off of their SSAH—in order to start replenishing the children system is never going to work. Some 43 families in Windsor and Essex county will be cut off their Special Services at Home this fiscal year.

We know that there will be more than 43 people diagnosed with disabilities—either born or diagnosed as preschoolers—who will be applying for that funding. We know that there are another 350 waiting. You can do the math: It is never going to meet the needs of the kids coming up. Instead, it's creating huge anxiety for adults.

My daughter Lisa is still at home. She lives in a self-contained apartment in our home. She receives support, some through health and some through the Ministry of Community and Social Services. She is a part of her community, and she's very involved. Without individualized funding, this ending would be very different, and we believe that she has contributed in her community and that it's a positive story of what could be. I share it because I'm concerned about so many other families that are losing the hope of that. They've seen it and they've asked for it, but they're losing the hope of that ever happening.

This sheet in your package—how much time do I have?

The Chair (Mr. Kevin Daniel Flynn): Oh, you've got lots of time. Don't rush at all. You've got about just over six minutes.

Ms. Michelle Friesen: Okay. This sheet in your package was created by a number of family leaders in the province. It's just being launched. What it is is families who are interested in doing the work and supporting their family members, children and adults, at home, in their homes, in the community. We believe that it's most important to secure an everyday, ordinary life for people who would live with a disability, so they can live in their own home and participate and contribute in their own community.

We have done the math on what we think that will cost. We think for \$300 million, phased in over a couple of years, every person waiting for special services, waiting for extra special services because things have gotten harder in their family or their parents are aging, every person waiting for Passport and those who need some enhancements of that, and every person who might want an individualized residential support model—which the government introduced for two years and then pulled back on—would be able to be supported.

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We also know from our experience in Windsor and Essex county that just giving people direct funding isn't enough without some support. For the larger amounts, we've been blessed to have what's called independent facilitation through Windsor Essex Brokerage for Personal Supports. Many families and facilitators have organized around the province to have that happen elsewhere.

It is much more cost-effective than what it costs a manager who is overseeing a group home supporting 12 people. A facilitator can support 25 individuals and their families and their support networks for less money.

Again, I'm not criticizing the other system. I'm saying that we need to look at what some other ways are, because what happens to people like me is that as we age

and don't have the supports, we then say, "Yes, I need a group home because I can't do it anymore." That's all we've ever known. And I've seen the numbers change.

What I didn't tell you is that I'm the co-chair of the Individualized Funding Coalition for Ontario. My volunteer work spans the province, and I'm connected to almost every community and family network and grassroots organization that's looking for something different.

We know from the research that about one third of people and their families would choose this harder route, because it does mean families investing time, energy and money. Not everyone wants it. But what we haven't done in Ontario is pave the way for that more economical model that also engages people and families and connects them in the community.

This is really a number of leaders saying, "This is what we want." We are just beginning to launch a social media campaign—I've gotten a blog up—and working on a video, so we're just at the start of trying to see if everyday people are also concerned about our sons and daughters and sisters and brothers having an everyday life. For the number of people in this province, it would cost us six cents a day to do that \$300 million.

I know we are in a time of really being careful about money, but I also know that this is an investment in costing us less in the future, and it's an investment in keeping people part of their community, as opposed to setting up a barrier. It follows the UN convention. It follows the belief system of social inclusion that we have yet to really see come into action in a big way.

With your package are the stats from Windsor and also some provincial stats, whereby via a pie chart you're able to see the very small amount of money that is in place in the system versus the large amount that is going towards agency-based traditional services. Again, I'm not criticizing them, and there are many people—that other 60%—who are going to want them. But it's time; it's time, after all these years, to actually invest, because the families and caregivers that are family caregivers have been holding up that big system. The minute our arms go down by the thousands, people will have to be supported some way. And we really are on the brink of that happening.

But mostly it's important because we all want people to have a good life. We all really do want people to be part of our communities. When they were in institutions—actually, I'll stop, in case there are any questions.

The Chair (Mr. Kevin Daniel Flynn): Oh, no, you keep going. I didn't want to cut you off in mid-sentence.

Ms. Michelle Friesen: No, no. You know what? Institutions isolated people; they were lonely. And people didn't need them. But right now, we have families who can't get out in their communities because they're supporting their son or daughter, and their sons and daughters aren't getting out. We have replaced this method of support with the same outcomes of isolation and loneliness. I don't want to play on the sad stories, because the families that I know who have experienced

this really want the positive stories of inclusion and participation to get out.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Michelle. Time for one question. Dipika?

Ms. Dipika Damerla: Thank you, Michelle. Thank you so much for coming and sharing your story. I can empathize with you. My mother's sister was developmentally delayed. I grew up with her. And I know my grandmother's biggest anxiety was what would happen to her after my grandmother had died. So I sympathize with you.

I just have a quick question. Thank you for the work you're doing in looking after your daughter. The \$300 million: Does that cover, in the math that you've done, people over the age of 18 as well?

Ms. Michelle Friesen: Yes. The math that we did was from zero to death, birth to death—I do have it broken down in kind of a working document that I'm happy to leave—in the sense that it covers what we do know are on lists and how we can estimate based on the communities where we could get the stats.

These stats will not be available after the 31st of March, because the government is not going to track them the way they were prior to when SSAH and Passport had their own applications. These are as of March 31, 2012.

We are talking about children, babies, adults and teens in transition into Passport adults. We suspect there are about 2,000 adults in the province who would be interested in individualized support around a residential model. We base that partly on knowing how many have asked for it, and on the research internationally.

Ms. Dipika Damerla: Thank you.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Michelle. I really appreciate you attending today—a great presentation.

Ms. Michelle Friesen: I will leave this.

The Chair (Mr. Kevin Daniel Flynn): If you'd give that to the Clerk, he'll make sure we all get it. Thank you.

Ms. Michelle Friesen: Thank you.

The Chair (Mr. Kevin Daniel Flynn): Lakeshore horse racing is next. They're at the post. We can move on. If they come a bit late, Monte, we'll accommodate them. Do you want to contact them and see if they are coming? Is that possible?

Interjection: Nobody's here.

The Chair (Mr. Kevin Daniel Flynn): Okay.

WINDSOR ESSEX HEALTH COALITION

The Chair (Mr. Kevin Daniel Flynn): The Windsor Essex Health Coalition: You're up, sir. You must be Jack, David or Tullio.

Dr. David Wonham: I'm sorry. By coming early—the other two who are supposed to be with me are not here yet, sir.

The Chair (Mr. Kevin Daniel Flynn): Okay. Well, you're actually going a little bit ahead—

Dr. David Wonham: We'll start without them.

The Chair (Mr. Kevin Daniel Flynn): You've got 15 minutes. Use it any way you see fit. If you want to leave a little bit of time at the end, that's great.

Dr. David Wonham: Yes. Thank you, ladies and gentlemen, members of the House.

My name is David Wonham. I've been a physician for 53 years, I've been a general surgeon for 46 years and I've lived and worked in Windsor for the last 43 years. I've been, in the past, chief of surgery, and president of the Essex County Medical Society. I've made presentations on health care in the States at the Cato Institute in Washington and the American Legislative Exchange Council etc. So I know, more or less, things about different systems, also having come in from another system, which is the British National Health Service.

Our concerns are that we have got a lot of problems here in Windsor at this time. I've been asked to represent the coalition and read a statement from them, because it's important that—we need to know exactly what's going on.

At the moment, I am currently the physician adviser on utilization at Windsor Regional Hospital, so the day-to-day problems are well in front of me every time I go there, which is every day of the week. We've got a lot of problems, and I want to bring these to your attention.

I'm going to read the statement from the Windsor Essex Health Coalition. It's a local group that supports the principles of the Canada Health Act and actively seeks to protect and improve our public health care system. We welcome the opportunity to present to the Standing Committee on Finance and Economic Affairs in these pre-budget hearings. Our parent organization, the Ontario Health Coalition, will provide this committee with a more thorough presentation, and we will focus on local health care challenges at this time, and what we believe are necessary solutions.

Today's presentation, for the most part, follows the headline stories from the Windsor Star in recent months. These stories are a representation of the challenges our community faces that have been compounded by austerity budgets. Austerity budgets not only cause a higher human cost, but can have a higher fiscal cost as well, as it stresses more expensive hospital care.

Our community is pleased that planning for a new hospital is under way, but we need to make certain that we will have the services necessary to get us there. Last month's announcement that both hospitals have come together with a plan moving forward is good for our community, and we hope a new hospital will assure us not only of efficiencies but progress in the delivery of care.

Delivery of care in our city is compromised at this time by one glaring issue: There are simply not enough long-term-care beds available to adequately serve the needs of our community. Windsor hospitals operate continually at levels well above 100% capacity, putting not only patients but staff also at risk. This directly causes unnecessary delays and emergency-room crowding and cancellation of surgery etc.

A substantial amount of these beds—as high as 45% of our adult beds—are occupied by patients who are waiting for another level of care. The number today at Windsor Regional Hospital is 41.3% of the beds occupied by patients who should be in another level of care.

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In 2007, the provincial government committed to providing an additional 448 long-term-care beds. In the six years since that promise, we have added 192 beds, but at the same time we closed 156 long-term-care beds at Malden Park, which had been operated by Windsor Regional Hospital. Some of the Malden Park beds were redeveloped as much-needed complex continuing care beds that provide for residents with greater needs. But six years later, we have seen only a minor net increase in LTC beds. After waiting years for the development of the 256 beds at the former Grace Hospital site, we will finally see relief, hopefully at the end of 2014, but by then it may still not be enough.

When the Malden Park/Tayfour campus redevelopment began, an additional 58 beds were approved to open: 42 complex continuing care, six mental health, and 10 rehabilitation. To date, we have only seen operational funding for 10 of these 58 beds. It seems almost unbelievable that there's a solution at hand to give some immediate relief, but it remains out of reach. This is in good part the reason that more than 200 members of our community participated in a province-wide day of action, aptly titled Save Our Services.

Care in Windsor is also compromised because of inadequate designations. The neonatal intensive care unit at Windsor Regional Hospital has yet to receive a level 3 designation, ensuring that they will be able to continue to deliver high-risk infants in our community. The future viability of thoracic cancer surgery is threatened because Cancer Care Ontario will not provide either hospital with a level 2 designation, which it would otherwise be able to do if they were together in one hospital.

The first and most obvious solution that we need here is funding for the 42 complex continuing care beds at the western campus and six mental health care beds that are ready to be opened at Windsor Regional Hospital. This could result in the reversal of the decision to close acute care beds and offer at least some relief to the over-capacity of both hospital sites. The possibility of operating and funding interim LTC beds should be investigated. Savings recognized from the delay of the nursing home that should have opened at the Grace site two years ago could be funnelled into existing organizations like our local hospitals, where the potential exists to open more than 100 LTC beds on an interim basis.

The government should also re-evaluate the 2007 decision of adding 448 beds. With more than 1,000 people in our community on waiting lists for long-term care, the 256 beds that will open next year will not completely solve our crisis. Long-term care is far more cost-effective than acute hospital care or 24-hour home care.

Appropriate designations for the hospital services provided locally—NICU and thoracic cancer surgery—should be approved. Should these services disappear from our community, it will not only put an unfair burden on the individuals who would need to travel for services but it would add stress in neighbouring cities. Once services are lost, it can be the start of a downward spiral, as physicians may choose to leave for places where they're able to work in a more varied practice.

The Ontario Health Coalition will provide this committee with more details on funding health care, but certainly concentrating on healthy lifestyle choices and providing people the tools to assist them is always good medicine and worth the investment.

We thank you for the opportunity to appear before the standing committee and ask that you consider our comments in your budgetary deliberations.

I'd like some questions that people have of our local conditions. If you would care to ask me questions, I would be glad to give the answers.

The Chair (Mr. Kevin Daniel Flynn): Absolutely. You've left a lot of time for that, which I appreciate.

We're starting with Monte.

Mr. Monte McNaughton: Sure. Thank you very much for presenting today. You didn't have far to come this morning to present. I guess the only thing before I ask you a question—I would actually argue with you that there hasn't been an austerity budget in Ontario. In fact, this year the interest on the debt in the province is going to be \$10.5 billion dollars, and in a few years—I'm not sure if even the government is aware—the interest on the debt is going to hit almost \$16 billion per year. I often think, and I know my colleagues think, that we could buy a lot of health care services with the interest we're paying on the debt.

I would just like to ask your opinion on the layers of bureaucracy that we see in the health care system. We know there are thousands of people working in the health care system today who don't spend a single moment with patients. I know that in southwestern Ontario, as I said to another presenter earlier, we've had lots of problems with the local health integration networks that the current government brought in. I think the latest tally is upwards of half a billion dollars put into these layers of bureaucracy across the province. I wonder, by eliminating some of these positions and these layers of bureaucracy, how that would help local health care.

Dr. David Wonham: I think a lot of the bureaucracies come about by the fact that people keep on wanting more numbers. They want more graphs, more stats, more things like that, and we probably have more people now developing graphs and statistics than we do actually looking after patients, which is rather a sad reflection. This is a constant thing, but we keep being told, "Yes, we need these stats. We need that." We have graphs and stats—we spend all our time at meetings to discuss these various things. You're right: The bureaucracy has grown way, way, way too heavy.

But the main problem we have in Windsor is that the long-term-care facility that's supposed to be built at the Grace Hospital site with 256 beds was supposed to open two years ago in March. It's still not open, and the next one, the one that's being built now, certainly will not open before the end of next year. So we're talking about a nearly four-year interval where we've had those beds missing. In the meantime, the patients have been piling up in the hospitals. Between the two hospitals and the sites, we've got well over 200 people who are in the wrong beds. This is where we have a problem.

It is to be noted that one good thing about delaying the building of the long-term-care facility is that nobody had to fund it. I think the government has saved somewhere between \$20 million and \$30 million in that time by not funding it, and I would propose that you use some of that money to fund some interim long-term-care beds. By this I mean beds that could be used within the hospitals or wherever that could tide us over until this new facility opens up. I would estimate that something like 100 to 120 beds would be needed in order to make the hospitals a comfortable place again. At the moment, we are overcrowded, we cancel surgery—the place is a mess. There's people lying around on stretchers all over the place. Today, I've got four people lying in the endoscopy unit—in-patients. We have them in day surgery and we've had to even put adults in pediatric to do it. We just have to crowd people wherever we can, because there are just no beds. We've got all those beds occupied—65 beds occupied at the moment, when our target is 15—

Mr. Monte McNaughton: Sorry to cut you off. I know there have definitely been province-wide headlines about the health care system in Windsor.

To change topics just a little bit, I wondered if you could maybe fill the committee in, if you're aware of any other issues with Ornge air ambulance here in Windsor. I know some of the very tragic stories from Windsor within the last year or so. You talk about all these other issues with the hospital. Are you aware of how the Ornge air ambulance service is now working?

Dr. David Wonham: I don't have any knowledge of that, no.

But again, when we talk about just the people in the hospital, remember: The worst place you can be if you're old and frail and helpless is in an acute-care hospital. Yes, it's very nice. Yes, you can get your diaper changed by somebody who has a university degree—that's very good; I'm very happy about that—but there's no time to enliven these people, to communicate with them, to get them to socialize.

What we see time after time, again, when these people are just looking at the four walls—there's no interest going on. What they do, and I see this happening all the time, is they crawl back into their own brains, they close the doors behind them and they turn the lights out. You can just see them sitting like this. They don't have anything. These are people who were mostly completely active a few weeks or a couple of months ago, living at home and lively with friends and things. They just shut

in. There's nothing to do. There are no activities. Acute-care hospitals cannot do that. So it is brutal to do it.

And if you are really lucky, you can get a hospital-acquired infection, because hospitals are full of germs. Then, guess what? You are helpless. You've got nowhere to go, so you're homeless, and you're also isolated. What a way to spend your last time. It's pathetic. It's really cruel. It's abusive.

Mr. Monte McNaughton: Okay. Chair, I don't have any more questions.

The Chair (Mr. Kevin Daniel Flynn): Okay, thank you. Jane or Peter?

Mr. Peter Shurman: How much time have we got?

The Chair (Mr. Kevin Daniel Flynn): You've got about two minutes left.

Mr. Peter Shurman: I'd just like to get a general comment. I'm not as familiar with Windsor as my colleague, because he's from southwestern Ontario. I'm a Toronto guy, but the problems sound very similar to where I come from, where we need alternate-level-of-care and we don't have that kind of facility.

But I think it goes beyond that. I'd love to get a general comment from you, before your time is up, on what you think of the general direction of our health care delivery system, period, in light of a lot of things: in light of what you're experiencing, in light of the aging of the population, in light of some of the things that have been eliminated from coverage—whatever general comments you might like to add to the record.

Dr. David Wonham: Things change and they progress. More problems come in, and, yes, you have to deal with them. As I said, here we've got this really acute problem now. We've got to open those other beds at the western campus that we were promised before. They've got to be opened, and we've got to get interim beds to tide us over till this new institution opens. We cannot give safe or excellent care under the circumstances we are in now, and it's getting worse. It's getting worse.

Mr. Peter Shurman: So what do you say when Premier Wynne says, as she has, in the Legislature, "We have no money"?

Dr. David Wonham: Well, you've saved \$20 million to \$30 million by not giving us a nursing home. Give us some of the money back at least to tide us over until the one does open up.

Yes, I appreciate that there are problems everywhere, but here, this is the worst situation I've been in. In the 43 years I've been here, this is the saddest time of my life to see institutional care and treatment of the elderly frail.

Mr. Peter Shurman: I really appreciate your advocacy on their behalf, and I really appreciate your appearance.

Dr. David Wonham: Thank you.

The Chair (Mr. Kevin Daniel Flynn): Thank you, David. We appreciate your time here before us.

Dr. David Wonham: Several of my colleagues showed up with the written—

The Chair (Mr. Kevin Daniel Flynn): Oh, did they?

Interjection.

Dr. David Wonham: Oh, right behind.

The Chair (Mr. Kevin Daniel Flynn): I can tell you, he did a wonderful job on your behalf.

Dr. David Wonham: Thank you.

The Chair (Mr. Kevin Daniel Flynn): Let's see. We'll try another call for the Lakeshore horse racing folks. I guess they're not here.

United Way? The United Way of Windsor-Essex—are they here?

How about Bernie Campbell?

Okay, how about we recess until we get someone to speak to us?

Interjection.

The Chair (Mr. Kevin Daniel Flynn): Who's here?

Mr. Taras Natyshak: The elementary teachers' federation.

The Chair (Mr. Kevin Daniel Flynn): Are they here?

Mr. Taras Natyshak: Yes.

The Chair (Mr. Kevin Daniel Flynn): Oh. Are they both here? Are the folks from ETFO here? Are you expecting somebody else, or did you want to go ahead without them?

Interjection.

The Chair (Mr. Kevin Daniel Flynn): That's fine. Thanks for your help.

Okay, let's recess for 15 minutes.

The committee recessed from 1051 to 1108.

The Chair (Mr. Kevin Daniel Flynn): Okay, we can call to order again, ladies and gentlemen. We've allowed some people to catch up with our schedule.

One more time, I'm going to call for Lakeshore horse racing. Is anybody from that group here? No?

Mr. Mike Colle: The horses are still in the barn.

The Chair (Mr. Kevin Daniel Flynn): We'll keep trying that.

UNITED WAY/CENTRAIDE WINDSOR-ESSEX COUNTY

The Chair (Mr. Kevin Daniel Flynn): I know we've got a delegation with us from the United Way of Windsor-Essex County, if they'd like to come forward: Lorraine and Penny. Are you waiting for somebody else?

Ms. Penelope Marrett: No, she's not coming.

The Chair (Mr. Kevin Daniel Flynn): She's not coming; okay, great. Well, if you'd make yourself comfortable. You've got 15 minutes to make a presentation. You can use that any way you see fit. It would be nice if you would leave a little bit of time at the end for some questions, perhaps, and I believe our questioning this time around goes to the New Democrats.

I'm going to start the clock, and if you'd introduce yourself for Hansard, that would be great.

Ms. Penelope Marrett: Thank you very much. Bonjour, tout le monde. My speaking notes, I think, are being circulated at this time. Thank you for inviting United Way/Centraide Windsor-Essex County to present to you this afternoon. My name is Penelope Marrett and I'm the

CEO. I'm pleased to have this opportunity to speak to you on the recommendations we have to the standing committee during their pre-budget consultations.

The United Way/Centraide of Windsor-Essex County has been working in the community for over 65 years. As a solutions leader, we work with government, agencies, businesses and labour to find lasting solutions to the health and human service issues that affect the people in the city of Windsor and the county of Essex.

In 2010, United Way, after extensive consultations, identified three community investment priorities: supporting basic needs and independence, positioning kids and families for success, and creating thriving neighbourhoods.

In 2010, the United Way released its second Community Well-Being Report, a copy of which we have here today for you. This report continues to chart how well our community is doing over time in a number of areas identified by its citizens.

The United Way believes in the foundational principle of Ontarians having access and choice in order to have the best quality of life for themselves and for their families. This principle spans across areas such as housing, food security, employment security, health care, recreation and socialization, among others.

In its most recent United Way of Toronto report, *It's More than Poverty*, the Poverty and Employment Precarity in Southern Ontario research group at McMaster University states that "employment insecurity has an independent effect on household well-being and community connections, regardless of income." Simply stated, employment security has a wide-ranging impact on quality of life for the people of Ontario, and something can be done.

Le gouvernement doit être félicité pour la stratégie de réduction de la pauvreté et de sa stratégie à long terme de logement abordable. Sur la base de notre travail dans cette communauté, nous avons un certain nombre de recommandations au comité permanent.

To support basic needs and independence, we, along with many other organizations in Ontario, are calling on the provincial government to establish a housing benefit for people living on low income. Such a benefit would provide low-income Ontarians with a greater ability to find and maintain adequate, affordable housing that suits their needs.

We also strongly urge the provincial government to continue advocating the federal government for a renewed national housing strategy that would include a renewed funding commitment.

Food security exists when all people, at all times, have physical and economic access to sufficient, safe and nutritious food to meet their dietary needs and food preferences for an active and healthy life. In 2005, households with annual incomes below \$30,000 reported experiencing food insecurity, with moderate to severe hunger. Some populations are at increased risk of food insecurity, including recipients of social assistance, the

working poor, lone-parent families, children, seniors and persons with disabilities.

People who receive social assistance continue to make up the largest group of food bank users across Canada. In 2009, there were 235,000 visits to food banks within Windsor-Essex county. This was an increase of 242% in food bank visits from 2006 to 2009. These are the most recent statistics we have. We are hoping to have new statistics in the near future. There was also an increase of 261% of adults and children in families that visited local food banks. These rates are astonishing for us. We must work together to find innovative ways to assist people experiencing food insecurity.

In October 2010, United Way partnered with Pathway to Potential, the coordinating organization funded by the city of Windsor and the county of Essex to implement the region's poverty reduction strategy, and the Windsor-Essex Food Bank Association to co-host a community forum, *Food Matters*, which highlighted existing food initiatives and focused on developing a plan of action for food security in our community.

Four priority areas were identified: emergency food distribution, alternative food distribution, urban-rural agricultural initiatives and policy initiatives. These discussions resulted in the community coming together as a collective to find innovative ways to address these issues. A number of new ideas have been identified and we are working collaboratively to implement them, but this work is not enough to fully address the concerns of our community.

We believe that the provincial government needs to increase income assistance, including Ontario Works, to a level that will ensure recipients have food security on a regular basis.

Avec l'incertitude économique persistante dans notre province et en particulier dans notre propre communauté, avoir de forts citoyens résistants et en bonne santé continue d'être un défi. L'insécurité financière causée par un avenir incertain compromet sérieusement le bien-être de nos citoyens et peut causer une variété de problèmes de santé liés au stress, l'anxiété, la maladie et, dans les cas extrêmes, même la toxicomanie et le suicide.

The provincial government is to be applauded for its commitment to mental health and addictions, but we believe that more needs to be done. According to Children's Mental Health Ontario, there were 50% more child mental health cases reported in Windsor-Essex county in June 2008 compared to September 2006, while Ontario rates remained relatively unchanged in the same time frame. We strongly urge the provincial government to continue increasing its funding for children's mental health services, particularly in regions throughout the province that have a higher-than-average number of cases, such as it is in Windsor-Essex county. The government needs to increase its investment in our youth as well, including providing additional mental health and addiction services in our communities.

Seniors are also facing challenging and difficult times. A shortage of long-term-care beds for seniors in our

community causes a serious problem, creating a backlog of elderly patients in hospitals waiting to be placed in a more affordable option, and making access to hospital services for the rest of the community a continuing problem.

We strongly urge this government to increase long-term-care beds for seniors in our community, which will help to improve the quality of life for seniors and ensure that access to hospital services for the rest of the community is available when needed.

The Ontario government is to be applauded for its support to the 211 initiative. This collaboration with municipalities, the provincial and federal governments, the Ontario Trillium Foundation and local United Ways in Ontario will ensure that Ontarians will be able to access information on community, social, health, and related government services. We applaud the government for its commitment in providing Ontarians around the province access to this service. This increase in funding has meant that more than 60% of Ontarians now have access to comprehensive health and human service information 24 hours a day, seven days a week. That's particularly important when someone is in a crisis.

Windsor-Essex county is uniquely positioned to continue its reputation as a transportation and infrastructure hub for Ontario and all of Canada. We applaud the provincial government for their commitment to our community in this area. By capitalizing on this existing asset, which is not easily replicated elsewhere in the province, Ontario's economy will continue to grow and strengthen, thereby helping Ontarians to lead a better quality of life.

We believe that the Ontario government needs to continue to seek out opportunities to strengthen Windsor-Essex county as a major transportation and infrastructure hub for the province of Ontario and, indeed, for Canada.

In conclusion, Windsor-Essex county has experienced serious challenges during the last several years. With strategic investments in the coming year and beyond, the citizens of Windsor-Essex county will be able to continue to address issues of concern with the goal of strengthening its community.

En travaillant ensemble, nous pouvons faire une différence dans la vie des gens.

Working together, we can make a difference in people's lives. Thank you.

The Chair (Mr. Kevin Daniel Flynn): That's great, Penny. Thank you very much. You've left just over six minutes for questions, and this goes to the NDP. Taras or Michael?

Mr. Michael Prue: I have a couple and will leave the rest to Taras.

An excellent presentation; I'm sympathetic to all of it, but this is the finance committee and we need to get some numbers.

You are stating that you are calling on the provincial government to establish a housing benefit for people living on low income. What kind of numbers are we

looking at here? How many millions of dollars are you looking at?

Ms. Penelope Marrett: Sorry; we'd have to actually come back to you with some of that. We have started to look at that with other United Ways in Ontario and other organizations, but we haven't actually got some final numbers. But I could certainly get some numbers to you.

Mr. Michael Prue: OK, perfect.

I guess the same would be true—you talked as well about an increase in income assistance, "including Ontario Works, to a level that will ensure recipients have food security on a regular basis." I mean, to meet the poverty line, we're looking at, for an individual, about \$19,000, and presently they're getting maybe \$6,000 or \$7,000.

Ms. Penelope Marrett: Yes. Possibly more if they have a family.

Mr. Michael Prue: If they have a family, but I'm just talking about individuals. So what kind of increase are you looking at?

Ms. Penelope Marrett: Well, we certainly understand that a major increase, up to approximately \$15,000 to \$20,000, could not occur in one year, but we would hope that the government would consider a phased-in approach where individuals would see an increase.

1120

Right now, as we all sit here, living on less than \$10,000 a year, to be able to pay your rent—when you think about rent in most of the province being a minimum of \$600, \$700 or \$800 a month, it's practically impossible for people to be able to live adequately and to even have food security and other forms of socialization. So we would hope that the government would seriously look at a phased-in commitment to being able to increase it to approximately \$15,000 to \$20,000 over the next five years.

Mr. Michael Prue: And the last and most difficult question of all, of course: Where is the government to find that money? Some people have suggested increasing taxes; some people have suggested closing the loopholes that allow the mega-rich to not pay anything. Where do you see us getting this money?

Ms. Penelope Marrett: Certainly, not knowing all the details, as I'm sure you can appreciate, of the finances of the government, I'm sure that it would be an approach that would be several pronged. I think the government needs to continue to advocate with the federal government about social transfers and what's happening with social transfers, as social transfers over the last decade or more have decreased from the federal government. We would want to see some of that increased to assist with that.

We certainly believe that the government has a real challenge. We recognize that there's a real challenge to make some very, very difficult decisions. I think the challenge that we see is that oftentimes people who live on low income or people with disabilities are those who get left behind. We want to ensure that all of the citizens of Ontario have an opportunity to be able to have a really

good quality of life. That may mean that there will be some difficult decisions that have to be made.

Mr. Michael Prue: The rest to Taras, if there's time.

M. Taras Natyshak: Penny, j'aimerais vous remercier chaleureusement pour votre présentation ici, spécialement ce que vous avez fait en français.

M^{me} Penelope Marrett: Merci beaucoup.

Mr. Taras Natyshak: And thank you for the work that you do in our community. Since the time that you came and took over the helm of the United Way here as well, it certainly has made an impact.

I would like you to expand on and potentially connect the nature of our regional economy here and the economic scenario we are in with food insecurity and the pervasiveness of precarious working conditions. Do you make a correlation to that from what you once knew about our area here, Windsor and Essex county?

Ms. Penelope Marrett: Certainly since 2008-09, as many of you know, Windsor-Essex has been through major, major challenges. We used to have a very, very solid, large manufacturing base, as you all know, particularly in the auto sector, and even there, in the auto sector, that has significantly been reduced.

The challenge that we find is that people are not always able to find positions similar to what they may have had in the past in our community, and many people have had to be in the position of trying to figure out whether they can actually stay in the community or whether they have to move to be able to find a position. If they stay, they are not always able to find what might be considered to be a permanent position that gives them the same quality of life.

When you're not able to do that, food becomes an issue, because you need to start to make some decisions if you don't have the same income. We used to have well-paying jobs that would pay anywhere from \$20 to \$30 an hour or more. Many of those individuals who were downsized are now finding jobs at \$12 an hour, some even at minimum wage; \$12 an hour is just above minimum wage. Some may be at \$15.

When you think about the difference in the quality of life of what people are now able to afford, it is very different. Many people are in the position of having to make a decision, and I think these decisions are extremely difficult for people to make: Do you pay your rent or do you buy enough food so that your children have enough food for the week or for the month? It's extremely difficult.

With food bank visits increasing so dramatically, it's very clear that that is because of the economy. We haven't stabilized yet in our community. We are approaching, I think—every once in a while, I think there are some positives that are going on, but as a whole, we haven't yet stabilized completely in our community. We're working very hard with organizations to help make sure that the services and the programs that people need in our community are available for them.

Mr. Taras Natyshak: Thank you.

The Chair (Mr. Kevin Daniel Flynn): That's great, Penny. Thank you very much for appearing today.

Ms. Penelope Marrett: Thank you very much for having us.

The Chair (Mr. Kevin Daniel Flynn): It was appreciated. We have your printed material as well.

Ms. Penelope Marrett: Yes, thank you very much.

MR. BERNIE CAMPBELL

The Chair (Mr. Kevin Daniel Flynn): Our next delegation for this morning is Bernie Campbell. Bernie, if you'd like to come forward. Once you're comfortable, Bernie, I'm going to start the clock. You've got 15 minutes. You use that any way you see fit. If there is any time over at the end, the questions will go to the government side. The floor is yours, sir.

Mr. Bernie Campbell: Good morning, Mr. Chairman, members of provincial Parliament, fellow guests and presenters. I'd like to take this opportunity to thank you for allowing me to attend this morning and listening to what I have to say.

I have to tell you that your presence here for me, at least in part, dispels a long-held belief. That belief centres around the fact of whether or not people who live east of Toronto—and for that matter east of Sudbury—know that there is land both beyond London and Sudbury. While I can only ascribe that belief to myself, I have no hesitation in suggesting that it is a belief which is shared by many people in southwestern Ontario.

Let me introduce myself. My name is Bernie Campbell. I'm currently a resident of Huron Lodge, which is a long-term-care facility for senior citizens. The fact that I reside there is a direct result of my disability.

For almost 38 years, I was employed in the capacity of law enforcement and security for both the Royal Canadian Mounted Police and the University of Windsor Campus Community Police. I am married and have three grown children.

When I was told that I could possibly address this committee, I put a significant amount of thought and consideration into what did I, Bernie Campbell, have that this committee might want to hear about? I have come to the conclusion that the most appropriate topic that I may have that you might be interested in is the expectations, aspirations and the need for some semblance of common sense that may bely the fears of a taxpayer. I am neither in a position to offer meaningful revenue projections, nor can I show a distribution chart for the dispersal of that revenue. I can only tell you what my expectations, hopes and dreams, as a taxpayer, are in the province of Ontario.

You have sought election to high office and for that I applaud you; it is not something that I want for myself. Having attained that high office, you have been given the ability by the people to make laws and policy which will directly affect your constituency. That is surely a daunting task. You and you alone are the stewards of the public purse. You have, by the virtue of your election, earned the right to tax wisely and spend fairly. Under

absolutely no circumstances should you abuse that trust. Funds expended should be for no other purpose than the benefit of the people of Ontario.

Much has been said about the overcrowding problem which exists in local hospitals. Recently, I was given the opportunity to attend a training session with a group of people from a local hospital. Thinking outside the box, the hospital management had decided to set up a transitional unit away from the hospital. The idea of the transitional unit was to take patients who were deemed chronic and occupying beds which were deemed acute away from the hospital, thus freeing the acute care beds and helping the patients deemed chronic to transition to a long-term-care facility—truly an idea with some merit. During the training session, I met with many of the staff of the new unit who were looking forward to having a positive effect on the overcrowding situation.

At the conclusion of the training session, I waited with some anticipation for the new unit to open. To my utter dismay, after several weeks, an article appeared in the local paper saying that the unit had been cancelled. No great explanation was provided. I contacted a number of people to determine what had happened. I was able to learn that the new unit had been cancelled as a result of shortcomings identified at the offsite building. When I inquired more deeply into the cancellation of the unit, I found that those shortcomings included inappropriate placement of counters, narrow doorways and short corners. I was assured by building staff that these were issues that could have been cleared up in short order.

1130

When I asked building staff what other steps had been taken to ensure all regulations were met, I was told that the only issues that were raised were raised by the Ministry of Health. No opportunity was provided to repair those shortcomings, and the unit remained cancelled. The person who cancelled that unit chose to do so without a site visit, but rather cancelled the unit based on a review of plans from the safety of their office in Toronto.

The building was to house a new unit in a retirement residence outside of Windsor and is virtually brand new. Having personally toured the building, I'd like to retire there. The cost to the retirement residence was approximately \$500,000. The cost to the hospitals seeking to establish the unit was \$14 million. Another hospital went to tremendous expense and disruption—not only to staff, but to patients as well—to renovate a portion of their building. The idea was to provide additional psychiatric beds and to renovate a very old rehabilitation centre. While I don't recall the announced cost of the renovations, when the hospital went to open their newly renovated facility, it had to be delayed because the Minister of Health could not marry up the operating funds with the opening date of the building. It consistently sat empty for several months. Since then, the Minister of Health has cancelled the funds for the new beds, resulting in the layoff of staff. The rehabilitation centre is about to return to the new quarters; however, there was no funding made

available for the purchase of new equipment. Therefore, they will return to a newly-renovated building with 30-year-old worn-out and broken equipment.

During the course of my illness I had occasion to utilize an air ambulance from Windsor to Toronto. Truly, it was an amazing event, because I was very ill and I was able to get to Toronto with my wife in one short hour. In a province as large as Ontario, the air ambulance service is both a must and a godsend. Imagine the shock and consternation of your constituency to hear that \$134 million had been expended on helicopters that were not suitable for the task for which they were purchased. Further, that the director of the service—your civil servant, my civil servant—had received a \$6-million stipend from the maker of the helicopters for the purchase. The director's handpicked board of directors had granted him a salary in excess of \$1 million. That same board of directors had granted him a housing allowance in excess of \$800,000 so that he could live in Toronto. Finally, the air ambulance corporation had purchased two life insurance policies on behalf of the director at a cost of several hundred thousand dollars. Clearly, when he was hired, he wasn't given a blank chequebook; he was given the keys to the vault.

Utilizing my expectations test and my belief that common sense should will out, the above examples do nothing to instill my faith that you, as a government, can and will do the right thing. Something as simple as telling the people that those six helicopters had been returned for more appropriate models, that steps had been taken to freeze the assets of the director and that, at the very least, the life insurance policies were taken out with the people of Ontario as the beneficiary would go a long way towards easing the acid drip in my stomach.

You would be hard pressed to convince me that the renovations which I spoke off earlier and the offsite unit had not been approved by the LHIN and received tentative approval from the Ministry of Health. How, then, does the debacle that these two events have turned into demonstrate good stewardship of the taxpayers' dollars? How can you expect that these two ongoing issues and the air ambulance issue will go further to instill my faith that you can now do the right thing?

In the days leading up to the election of your government, I watched in utter amazement as the finance minister stood before the finance committee and testified that the hydro plants in the GTA were cancelled. He went further to testify, as I recall, that the plants were cancelled by the Liberal election committee. I don't recall having elected a Liberal election committee. What was elected was a number of people who professed liberal ideas.

The fact that those plants were virtually complete and the construction was stopped dead in its tracks is nothing short of a travesty. Perhaps as much as half a billion dollars is a direct loss as the result of the cancellation of these plants. This does not include the cost of rebuilding them somewhere else.

Clearly, these plants were cancelled for political expediency. Those people who directed that cancellation do not deserve a place governing the people of Ontario. Certainly the taxpayers of the province deserve better.

In his last budget speech, the Minister of Finance put forward a budget item for an expenditure of \$4.6 billion for the eHealth program. I can tell you with some certainty, as a taxpayer, that my family will take little comfort in the fact that my health records were well organized in a professional manner by a computer, should I die in the Ontario health system in the short term. The eHealth system may, at the end of the day, turn out to be a bigger boondoggle than the federal gun registry. The dollars taken out to prop up this sagging program have come out of direct expenditures that would be much better spent on front-line health care.

I have come this far in my presentation and I have not spoken of what happened to me, so perhaps I will take an opportunity to give you the Reader's Digest version.

I went into the hospital on the 15th of October, 2008. I was having difficulty with mobility and would fall frequently without warning. I was in hospital for 110 days and still had not been properly and formally diagnosed. I had been given an interim diagnosis of lymphoma. As a result, I received 25 doses of radiation. At the end of that treatment, they were still working on only a working diagnosis.

My doctors didn't appear very interested in going further, so I asked for a referral. I was sent to Toronto by air ambulance on approximately the 28th of January, 2009. Within a relatively short time, I was properly diagnosed and had the first of four surgeries. As it turned out, I didn't have lymphoma at all. While I can't sit here and tell you that the lack of a proper formal diagnosis contributed to my quadriplegia, you would be hard pressed to convince me that 110 days of delay was not a contributing factor.

I mentioned earlier that I had asked for a referral to another centre. Can you imagine my dismay to learn that there was not a computer in a Windsor hospital that could talk to a computer in a Toronto hospital? The results of my studies that were forwarded in support of the referral had been forwarded by courier.

Brewers Retail in Windsor has a computer that can talk to the Brewers Retail store in Wawa. You can go to the Canadian Tire store in Windsor and you can find out if they have a widget in their inventory at Revelstoke, BC. In Windsor, we can't talk hospital computer to computer between here and Toronto. We do, however, apparently have lots of money to put forward on eHealth.

I want to take you now to a personal issue. Recently, I watched a friend die. The friend was a 30-year paraplegic, and by his nature, he was a quiet and gentle person. He was diagnosed with having kidney stones. One kidney stone was the size of a tennis ball. It was big enough that it required a shunt in order to keep the kidney working till the stone could be removed.

In the lead-up to that surgery, the surgeon required a holiday. The surgery was delayed for a further month

without significant explanation. I was able to find out at a later date, through other sources, that during that month's delay, the hospital suites were closed for elective surgery as a result of what was described to me as a lack of funding.

While this information is anecdotal, and I readily admit that, and I cannot say for sure that the incident of my friend's death is the direct result of the delayed surgery, I can tell you that during the month, my friend suffered considerably. There was no easy passage to the next life. He quickly declined until he could offer no more resistance, and then passed away. Truly, it was a death that had no dignity in it.

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As recently as this past Saturday, I spoke with a person who told me that while she sat in her doctor's office, she overheard the receptionist contacting patients to delay their surgery. The proposed reason for the delay was an insufficient number of operating room implements or tools. Once again, the information is anecdotal. I have no way to verify it, nor do I intend to. The fact that this type of information circulates readily and frequently in and around the city of Windsor should cause this committee to have grave concern.

I will finish this portion of my remarks with one more piece of information about my personal circumstance. My wife and I were lucky enough to be able to purchase a vehicle which was capable of transporting me in a wheelchair. The vehicle was 60 days old. I purchased the vehicle from a company that had intended to utilize it on a commercial basis for the transportation of people with disabilities. The company, however, could not find sufficient work to keep the vehicle on the road, so they chose to sell it to me.

As a result of purchasing what was technically a used vehicle, I was required to pay 13% retail sales tax on the cost of the vehicle. The bill was just over \$5,000. Had I purchased the vehicle brand new, I would not have had to pay any tax.

It would appear that there is clearly an anomaly in the tax systems. New vehicles with freshly installed equipment to aid the disabled are not taxable, while used vehicles are taxable. Loosely translated, that means that if my vehicle is passed down through five more owners during its useful life, the province will collect 13% at each transaction. Using this as a guide, if the last possible owners of the vehicle are able to save \$5,000 in order to purchase a handicapped-equipped vehicle, the reality is that they can spend only slightly over \$4,000, because the remainder will be required for the tax bill.

I hope that you can tell by the tenor of my writing just how fair that is. The application of this tax regulation needs sorely to be reconsidered and repealed.

The next area that I believe is in need of serious redress is the manner in which we treat our senior citizens. I mentioned previously that I currently reside in a long-term-care residence. I am together with the beginnings of the baby boomers, as well as with what history will someday describe as the greatest generation that ever

lived. The most elderly in my long-term-care facility survived two world wars and the Great Depression, raised a family and now look forward to spending their declining years with some degree of dignity. Our answer is to warehouse them. We place them in a facility where, in the first instance, it is clearly understaffed. I have in my possession a report commissioned by the previous government which concludes that, indeed, long-term-care facilities are understaffed.

I read recently that in one calendar year, there were in excess of 1,800 resident-on-resident assaults and one homicide. We are housing our most precious asset with people who are more properly cared for in other institutions.

The Ministry of Health's per diem allowance for food is slightly over \$7 a day. The ministry even made a move to take some of that away but relented to public pressure. We feed those who are housed in penal institutions at a much higher rate.

Those men whom we can never repay for our freedom chose to go off to war while the women remained at home. They, the women, did not sit on their hands. They went into the factories and made guns and tanks and ships and airplanes. We owe them a tremendous debt of gratitude, and we choose to repay them by warehousing them.

Having said all of the above, let me clearly state for the record that in my view, what has been done does not pass the smell test. Using a test that I used many times as a policeman, the MEAL test, what has been done fails in at least three of four categories. It is neither moral, ethical or affordable. I'll leave the legal test for others to judge.

As a taxpayer, I am appalled. Never having used the system to any great extent, when I was in need I turned to it for assistance, only to have the system let me down badly.

As a police officer, on many occasions I joked with fellow officers about what should be done in the event of a serious incident when an investigation went badly, resulting in grievous bodily harm to a man. We were adamant that if we could not be quickly transferred to London, we wanted to go to Henry Ford Hospital in Detroit. Looking at myself now, many years later, I wish that I'd taken my own advice.

As a taxpayer, looking at where we are today and what we do to fix this system, we are in serious need of going back to the beginning. What would be the point of building a new fancy hospital if we cannot cure the illnesses of the people who come in need? If we continue upon the apparent chosen path, what is the point of seeking medical help if you are to be confronted by long lines, grossly understaffed hospitals and overworked staff? Why are we pouring billions of dollars into a program such as eHealth when we can't meet our obligations of our front lines? This is—

The Chair (Mr. Kevin Daniel Flynn): Mr. Campbell, could I ask you to summarize the last page? We're quite a bit over time, but everyone's enjoying the presentation.

Mr. Bernie Campbell: I know; I appreciate that. I've got about a paragraph left.

The Chair (Mr. Kevin Daniel Flynn): Perfect.

Mr. Bernie Campbell: What we have allowed our social medicine to become is a far cry from the visions of Tommy Douglas. There is a plan in existence to expend \$1.6 billion to build a new hospital in Windsor. Why would we do that when we cannot meet our primary obligations now? The waste that I've outlined above amounts to several billions of dollars. Take that money and put it back at the front end so that the people of Ontario will be properly serviced. Provide these funds for much-deserved care for our senior citizens.

We need to do these things now before there is more suffering and death. Take our tax dollars and make sure that there are adequate GPs and specialists and nurses and other staff as the projected need. If there is any money left—and I'm not sure that there will be—then perhaps we can afford new hospitals and bonus programs like eHealth. However, perhaps it is time that I conclude my remarks, and I will gladly answer any questions you have. I appreciate the fact that you let me go over time.

The Chair (Mr. Kevin Daniel Flynn): No problem. Thank you very much, Mr. Campbell. Your presentation was well received, I think. But, unfortunately, there is no time for questions.

GREATER ESSEX ELEMENTARY TEACHERS' FEDERATION OF ONTARIO

The Chair (Mr. Kevin Daniel Flynn): I believe the elementary teachers are now a party of two? They're going to come forward next.

Interjection.

The Chair (Mr. Kevin Daniel Flynn): Okay. Let's go through the Chair. It was a great presentation, and the members do develop the art of being able to walk and listen. So I wouldn't read anything into that.

We have before us now Adelina and Mario from the Greater Essex Elementary Teachers' Federation. Fifteen minutes for the presentation; use that any way you like. If you can leave some time at the end for any questions, that would be preferable, but that's entirely up to you. The questioning this time will go to the Conservative Party. If you would introduce yourself, just for Hansard.

Ms. Adelina Ceccin: Sure. I'm Adelina Ceccin, president of Greater Essex ETFO.

Mr. Mario Spagnuolo: Mario Spagnuolo, first vice president of the local.

Ms. Adelina Ceccin: We do have a presentation that we want to read from.

The Chair (Mr. Kevin Daniel Flynn): Perfect.

Ms. Adelina Ceccin: Thank you. The Greater Essex Elementary Teachers' Federation—ETFO—represents approximately 1,500 public elementary teachers in the Windsor-Essex area. We welcome the opportunity to participate in the 2013 pre-budget consultations.

This has been a very difficult year for public education: for teachers, education workers, parents, students

and school boards. The unprecedented attack on our sector and the austerity measures witnessed over the last year are significant. Rather than strengthen public education, this attack has weakened the foundation of public education here in Ontario.

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Teachers not only received a wage freeze but a wage reduction resulting from the three unpaid PD days. Members lost banked sick days and retirement gratuities. They have been party to a sick leave regulation that has continued to be modified throughout this school year, creating a sense of added anxiety for teachers who are sick or suffering from an illness.

In terms of cost savings, however, this—

Interjections.

The Chair (Mr. Kevin Daniel Flynn): Excuse me, Adelina. Is that bothering you back there? If it is a little bit, we can ask them to go outside, if you like.

Ms. Adelina Ceccin: It is distracting.

The Chair (Mr. Kevin Daniel Flynn): I think it's only fair. I wonder if we could ask them to take it outside.

Ms. Adelina Ceccin: Thank you.

The Chair (Mr. Kevin Daniel Flynn): I think they're still continuing the previous debate.

Interjections.

The Chair (Mr. Kevin Daniel Flynn): That's fine.

Mr. Taras Natyshak: It's kind of distracting to me.

The Chair (Mr. Kevin Daniel Flynn): Yes. Don't worry about it.

Mr. Taras Natyshak: It's that baritone voice, you know? You can hear it from—

Interjection: It's that radio voice—

Mr. Taras Natyshak: That's what it is.

Ms. Adelina Ceccin: It's something I strive for every day.

The Chair (Mr. Kevin Daniel Flynn): Isn't there a teacher's voice or a principal's voice?

Ms. Adelina Ceccin: I never had one.

The Chair (Mr. Kevin Daniel Flynn): Okay.

Ms. Adelina Ceccin: Thank you.

The Chair (Mr. Kevin Daniel Flynn): Are we good?

Ms. Adelina Ceccin: Just continue where I left off?

The Chair (Mr. Kevin Daniel Flynn): It's entirely up to you. If you're more comfortable starting over, that's great. I understood everything you'd said up until then, but you can pick it up, if you like, from where you left off.

Ms. Adelina Ceccin: Sure. In terms of cost savings, however, this added proposed adjudication component has yet to be defined as to actual savings.

In addition, elementary teachers continue to earn 2% less, compared to any other teacher in this province, since 2009. This 2% imposed salary penalty has been estimated as having generated approximately \$2.5 million to date towards the outstanding Ontario deficit, in addition to the cuts and concessions brought on through Bill 115.

Teachers in this province have shouldered their more-than-fair share in helping to balance the provincial

deficit. This 2% ongoing penalty, however, must be viewed as an issue of inequity that exists in Ontario against elementary teachers and needs to be corrected as a matter of respect and fairness.

Although Bill 115 passed through the Legislature and was then repealed, its effects, both material and political, continue and need to be constructively addressed, because public education matters. It matters because not only is it an investment—as opposed to an expense—into our future; it is a beacon of real democracy that exists here in Ontario.

Mr. Mario Spagnuolo: The elementary teachers' federation has a responsibility to protect its members' rights. As a union, we firmly uphold the right to free collective bargaining, a right entrenched in the Charter of Rights and Freedoms. The provincial government must respect the role of unions in the workplace and in the province's fabric. Unions have helped to raise the standard of living and continue to promote the sustainability of quality, middle-class jobs.

Talk of right-to-work legislation is unwelcomed, unnecessary and unproductive. It threatens to transform an expected progressive vision for Ontario into one that steals the promise of a bright livelihood for its citizens and undermines the bedrock of our social advocacy. As Barack Obama has said, right-to-work legislation is the right to earn less. Here in Ontario, we must defend and protect against this seeping and destructive right-wing agenda.

Ms. Adeline Ceccin: EQAO, which stands for the Education Quality and Accountability Office, has a \$34-million yearly budget. Annually, the Ministry of Education spends approximately \$77.5 million on the LNS secretariat. More than \$33 million is allocated to initiatives such as OFIP in schools in the middle, and then another \$11.4 million is spent on SEF and other initiatives.

In total, \$156 million annually—taxpayer dollars—is expended over one singular test that is not included in report cards or in daily instructional planning. Instead, EQAO promotes test scores, competition and an over-emphasis on achievement rather than holistic learning.

It is disconcerting when we begin analyzing the amount of money being expended with the EQAO agenda, especially since random testing such as PISA, TIMSS and other kinds of testing currently exist.

Despite the continued positive results that these random tests reveal, the current government feels compelled to test every single student in the province, at an incredible taxpayer cost.

In the classrooms, our teachers report an overwhelming feeling due to oversubscribed, ministry-driven and board-sponsored initiatives. Again, this is another cost. It is time that the government refocus funding on students, not on EQAO and test scores. Time spent on EQAO means less time for teaching and improving.

In addition, it is necessary that as an education sector we recognize the educational impact this testing regime has on student learning and improving. The current

teaching environment drives and perpetuates the message that success is based strictly on test scores and competitive achievement rather than on real student development and improvement.

In addition to student competition, EQAO results are used to rank schools through the SIF. It is a demoralizing practice and one that does not benefit students. It seeks to reduce everything to a measurement, a score, ignoring those factors that impact real learning: the student-teacher relationship, equity of resources, the level of social services and supports, a sense of community, socio-economic variables, and the immeasurable factors such as motivation, curiosity and perseverance, all intangible components and essential qualities to learning success.

In fact, the new ministry document *Growing Success* has given a new focus around assessment through a central operating definition, which is teacher professional judgment. If our ministry now recognizes the central role that professional judgment has in student assessment and evaluation, then the yearly testing regime of EQAO on every single student, rather than a random sampling or cyclic testing example every two or three years, supports this new view to assessment and evaluation while at the same time measuring overall provincial results from a statistical perspective in a more cost-effective way. Currently, it needs to be noted that Alberta, British Columbia and even Chicago have begun the shift and boycott to review this similar testing regime.

Although there is now a shift towards professional judgment, the issue of compliance must also be addressed by this government if there is to be a renewed partnership in education. Currently, there are school boards across this province that are not complying with the intent of PPM 155, with no response on the part of this government to address this lack of compliance. It is the same lack of compliance that can be found in class-size funding as it translates into actual staffing levels. School boards are funded, at junior/intermediate levels, at 24.5 to 1. In reality, however, school boards report class size at the junior/intermediate level as an overall board average as opposed to directly funding staffing allocation at this funding ratio. This continues to result in significant large class sizes at the junior/intermediate levels. If this government has shown a solid understanding that class size matters to learning, as evidenced in the primary cap, then class size at junior/intermediate must also matter by way of compliance investment at this level.

The provincial government's commitment to FDK must be commended. Rather than an expense, this government has recognized that FDK is an investment into our future. The research to date is supportive of this initiative, as it has benefited our youngest learners. Being at school and engaging in this program has helped students academically and socially. The next step would be to bring class size in line with the primary caps, with a cap of 20 students in each class.

Mr. Mario Spagnuolo: At the 2012 annual meeting, our ETFO federation voted in favour of supporting a

resolution that advocates for limiting public funding in Ontario to strictly secular schools. The existing and on-going duplication of services by four school boards in Ontario must be addressed in this time of need of efficiencies and budget restraints.

Recent polls indicate that Ontario voters are becoming more and more supportive of combining the public and separate school systems. One obvious reason is our diverse multicultural society. It becomes problematic to fund one religious system over others. A survey conducted by Forum Research indicates that 54% of Ontarians oppose public funding of Catholic schools. The time is right for the government to fund one system and follow in the footsteps of other provinces such as Quebec, Newfoundland and Manitoba.

Research conducted by the Federation of Urban Neighbourhoods of Ontario estimated annual savings due to merging into one publicly funded school system to have been calculated between \$1.2 billion and \$1.5 billion. In a time of cost savings being searched by all parties, it must be noted that neither of the parties have endorsed the merger of the public and Catholic school systems in their platforms.

As the government reviews finances, it is important to note that the funding formula in the education system needs to be reviewed. The funding formula creates a funding inequity between elementary and secondary school students. It has resulted in waiting lists in special education services and is causing many neighbourhood and community schools to be closed. The government has promised, since its election in 2003, for a review of the funding formula; we are still waiting.

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We thank you for the opportunity to outline some of our priorities in the education sector. We are asking that this government seriously consider addressing especially the EQAO and LNS through reinvestment of these savings into such programs as smaller class sizes and more specialty teachers. We encourage the government to support one publicly funded school system and use any savings to better support teachers and students in the classroom.

Finally, it is imperative that the provincial government support and encourage collective bargaining in all sectors. In the education system, the detrimental effects of Bill 115 must be addressed so that all education sector partners can return to their primary focus of student learning.

We are now open for questions from the committee.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Mario, and thank you, Adelina. You've left just over four minutes for questions, and it goes to the Conservative Party. Monte or Peter?

Mr. Peter Shurman: Monte.

Mr. Monte McNaughton: Just a couple questions. What do you think about the statement that if we didn't have other school board systems or other systems, we wouldn't have extracurriculars for our kids? I'll tell you that in my riding, the Catholic system is taking out full-

page ads encouraging kids to join their system. What do you think of that argument? If it was only a one-school system, then kids wouldn't have extracurriculars today.

Ms. Adelina Ceccin: Thanks for the question. I think, however, Bill 115 has brought on this argument. I think it's a road that we've travelled down that was absolutely unnecessary around the issue of extracurriculars.

Extracurricular activities are something that teachers have given freely since who knows how long. It's actually been the unions that have always gone to bat about providing extracurriculars. School boards have, in fact, said, "We didn't want those to exist in education because they took away from the primary focus of literacy and math."

In terms of this argument now that we're looking at extracurricular activities—like I said, if anything, the argument has been raised by Bill 115. I think the focus of anything—we need to be looking at how we're going to address Bill 115, because from then, I think we can find some solutions about what's happening.

Mr. Monte McNaughton: As you're fully aware, Bill 115 is now gone. The minister of the government party got rid of that in January, I believe.

Why are unions fining their own members \$500 for not doing extracurriculars?

Ms. Adelina Ceccin: I can say to you, in terms of ETFO, the fining of members does not exist, so I don't know where that information is coming from. We are not using anything in terms of having to consequence members if they're not somehow looking at the advice that has been given around extracurriculars.

Mr. Monte McNaughton: So you're not punishing any of your members if they do extracurriculars?

Ms. Adelina Ceccin: No, we are not. In fact, the misconception that exists out there that members are not doing this because there is some kind of a threat of a fine—what the government needs to understand is, in fact, what's happening with teachers around the extracurricular activities is really a grassroots movement. Teachers are very upset as to what happened with Bill 115, the legislation, and we still are looking for some kind of a tangible commitment that, in fact, the right around collective bargaining is going to be honoured moving forward.

Mr. Monte McNaughton: Any other advice? You're obviously fully aware that the government is facing a massive deficit in the province. When it comes to wage restraint going forward, any advice for us in the years ahead?

Ms. Adelina Ceccin: Well, like I said in our presentation that we made today, it is to be noted that elementary teachers already are receiving 2% less compared to any other teacher in the province. So in terms of actual savings that are being generated, that has been ongoing since 2009.

Teachers have never said that they would not be willing to take a wage freeze. In fact, that is what has happened, and a 1.5% salary reduction. What we have asked is—understanding that there is a deficit that exists

in Ontario, that doesn't mean that we can't get to the table to look at some kind of constructive dialogue as to how do we make this work? That's what we've been asking for since the very beginning. The fact that we have accepted this wage freeze and this salary reduction speaks to our commitment.

Mr. Monte McNaughton: Just my last question: We've proposed a white paper, the PC Party, and we've talked about ensuring that financial literacy is taught in the school system. Do you support that?

Ms. Adelina Ceccin: I understand that it's being proposed to be taught at a very young age; for example, compound interest. I think what we need to do is make sure that we have skills around math literacy, math critical thinking—

Mr. Monte McNaughton: Sorry, just yes or no: Do you support it?

Ms. Adelina Ceccin: Well, no, I don't. In terms of actually teaching compound interest, no.

The Chair (Mr. Kevin Daniel Flynn): Did you want to just expand on that a little bit? You sounded like you got cut a little short.

Ms. Adelina Ceccin: Oh, I do.

The Chair (Mr. Kevin Daniel Flynn): Not for hours, but did you want to finish that sentence?

Ms. Adelina Ceccin: Yes, because I think you can't answer that question "yes" or "no," because you have to look at it in the context of how it's being asked. Education is not just about saying, "We're going to be teaching kids about compound interest." Education is about teaching those math skills, that when you want to broach that subject at the timing that is appropriate for young students, that can be handled. It's not just about compound interest.

The other thing—sorry, now that you've opened it up. I'm very concerned that—

The Chair (Mr. Kevin Daniel Flynn): Well, I haven't opened it up completely, so if you just want to finish—

Ms. Adelina Ceccin: I'm very concerned, to be quite honest, that we would already—at a very young age, from what I'm understanding—talk about compound interest with kids, that that is going to be a priority in terms of their educational foundation. We want to be, first of all, making sure that our kids have solid educational skills around literacy and math, not going to say that everything in society is about the bottom dollar. That, for me, is a scary message, because what we do when we start to do that is start to erode away the capacity for compassion and empathy for people.

The Chair (Mr. Kevin Daniel Flynn): Thank you very much. We're going to recess right now, but the members may be interested to know that there has been a weather warning issued for Timmins, so our plans may be a little bit up in the air right now.

Mr. Taras Natyshak: You guys can all stay at my house, Chair.

The Chair (Mr. Kevin Daniel Flynn): Thank you. Anyway, that will unfold as it is. We're recessed till 1 o'clock.

The committee recessed from 1210 to 1300.

CONCEIVABLE DREAMS

The Chair (Mr. Kevin Daniel Flynn): Okay, we can call to order again, ladies and gentlemen. Our next presenter is Paula Schuck, and she is seated already. You've got 15 minutes, Paula. You can use that in any way you see fit. If you want to leave any time at the end, that would be great. I believe our next questioners will be the NDP.

Ms. Paula Schuck: Okay. My microphone is on?

The Chair (Mr. Kevin Daniel Flynn): Yes.

Ms. Paula Schuck: Okay. Good afternoon. Thank you for the opportunity to present today. My name is Paula Schuck. I'm a mom of two. I come from London, Ontario, and I am also a journalist and a member of Conceivable Dreams, a broad-based organization of patients, family members, health professionals and other supporters dedicated to achieving equitable access to funding for in vitro fertilization for men and women facing fertility challenges.

I'm here to talk to you today about the medical condition of infertility and why government decisions to not fund treatments actually end up costing taxpayers more in the long run, and why this is an issue that will only grow as women continue to become equal participants in today's economy.

Let me begin with the last point. Times have changed since my mother's generation. Parents today tell daughters, "Go to school, be self-sufficient, get a career." Our daughters have listened. Female participation rates have skyrocketed, with women now accounting for over 56% of undergraduate enrollment and over half of post-graduate students.

Young adults build families later. A growing number are unable to even think of starting a family until they have paid down student loans, established a home and achieved a position where a short break from their career won't have them starting back at square one when they return. This new economic reality is hardly a choice.

The result is, for the first time ever the average age of first-time mothers is now over 30. This is significant because medical experts will tell you fertility rates begin to decline at the age of 28.

Statistics Canada reports that one in seven couples need help conceiving. In some cases, this is the result of medical conditions unrelated to age, while in others, increased difficulties of conception after age 28 come into play. But all of these couples deserve assistance.

In vitro fertilization is one of the safest, most effective treatments for infertility. Many Ontarians could conceive through the use of IVF; however, the cost is beyond the financial reach of most couples. Those who pursue this mode of treatment must take on significant personal debt to realize their dreams of creating a family.

In my work as community manager of Conceivable Dreams, I've met and interviewed many of our families who have gone into debt personally—anywhere from \$15,000 to \$50,000—just to build a family. With no support from the Ontario government to help ease this financial burden, many couples choose to transfer multiple embryos rather than a single embryo—which is a clinical best practice—in order to increase their chances. In fact, what we see then is that Ontarians using assisted reproduction are 10 times more likely to have a multiple birth. Multiple births in the long run cost us a lot more money. The rate right now in Ontario is approximately 28% multiple births, compared to below 10% in many other jurisdictions around the world that fund IVF.

Why is this the government's problem? Multiples are 17 times more likely to be born preterm, to require C-section delivery, and to require expensive care at birth and throughout their lives. For moms, multiple pregnancies are also associated with an increase in medical complications such as gestational diabetes and hypertension in pregnancy.

Some of the added costs arising from multiple births include increased health care spending to cover mothers' and infants' prenatal monitoring, delivery and postnatal hospitalization costs, and lifelong health care and social services spending to cover the costs of long-term physical and mental disabilities that can occur more frequently in multiple preterm births. In fact, the Canadian Institute for Health Information estimates the average lifetime cost of a multiple-birth child in Canada to be \$520,000. I want you to think of the costs of inaction, not just in terms of dollars and cents but in terms of the suffering of children, parents and extended families.

It doesn't have to be that way. Two expert committees have already demonstrated the case for public funding of IVF in Ontario. In January 2007, the Ontario Health Technology Advisory Committee, an arm's-length expert committee, made recommendations to the Ontario health minister based on evidence-based analyses to increase access to IVF treatment. In August 2009, the government of Ontario's own expert panel's final report once again recommended funding IVF treatment. That 11-member expert panel concluded that public funding of IVF will not only improve the health of mothers and babies, but it will also reduce hospital and other health care costs.

In fact, the expert panel's research found that Ontario could save \$400 million to \$550 million over the next 10 years by tying public funding of IVF to more stringent criteria limiting the number of embryos transferred and reducing the incidence of multiple births; the province would see another \$300 million to \$460 million in savings that would have been spent on these children over their lifetimes; and savings in health and social service costs as well.

Despite those recommendations, nothing has happened in Ontario. Quebec, on the other hand, has acted, and it has seen immediate success. The rate of multiple births in that province is down significantly, just as it is in every other jurisdiction in the world that funds IVF. In fact, in

every jurisdiction that funds IVF, their rate of multiples through this procedure is well under 10%. As you'll remember, we're at about 28%.

The program is extremely popular with parents, health advocates and financial watchdogs alike. Former Quebec Health Minister Yves Bolduc has stated that "funding fertility treatments costs less than the amount we save by lowering the number of multiple pregnancies ... we now save on neonatal care and associated complications, including those generated by learning difficulties, which affect a number of prematurely born children." His successor is equally supportive of the program.

I want to end by saying a little bit about my own situation. I was unable to conceive due to a health condition, Crohn's disease, which is a major contributing factor for infertility. My husband and I couldn't afford to undertake a single cycle of IVF. We built our wonderful family through adoption.

I am a fervent believer that Ontarians deserve access to both adoption and infertility treatments. Medical and financial circumstances, personal preference, luck and many other factors dictate which one is best for any couple, but the choice should not be skewed due to lack of government support. Public funding of IVF is good fiscal policy, good health policy and great politics for progressive politicians who understand the changing world we live in.

We're asking members of all three parties to support a commitment in the 2013 budget to financially assist access to IVF treatment for infertility patients. We need strong, healthy families to foster a strong, healthy Ontario. We can't afford to wait any longer on this.

Thank you for taking the time to consider this important request. The time for study is over; the time for action is here.

The Chair (Mr. Kevin Daniel Flynn): That's great, Paula. Thank you very much. You've left just over seven minutes for questions, and it's the NDP's turn this time. Michael or Taras?

Mr. Michael Prue: You have made deputations similar to this in the past; I've heard them before and I'm sure all the parties have heard them. Have you received a commitment from any of the parties to proceed with this to date?

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Ms. Paula Schuck: We have no commitment to date.

Mr. Michael Prue: Okay. So none of the parties have come forward and said that they would do this.

This is the finance committee, so we always have to get down to money. In order to establish this program that you envisage, how much would this initially cost the government? There might be savings in the long term, but how much would this cost right off the bat?

Ms. Paula Schuck: I'm not the financial expert; I'll tell you that right off the bat. But we are willing to sit with you and discuss that and work out funding options, funding models. We understand Ontario will probably want to develop their own funding model that is not exactly the same as Quebec's.

Mr. Michael Prue: Any idea what Quebec spends per year?

Ms. Paula Schuck: No, I can't tell you exactly. I would be happy to put that in a supplementary report and send it through to you, Michael.

Mr. Michael Prue: Okay. Now, I've also seen a magazine. Do you publish the magazine *Conceivable Dreams*? There's a magazine about this; I've seen it before.

Ms. Paula Schuck: Yes.

Mr. Michael Prue: Are you the publisher?

Ms. Paula Schuck: Am I the publisher? No.

Mr. Michael Prue: Or the editor or anything?

Ms. Paula Schuck: No. I do all the online digital community management.

Mr. Michael Prue: Because it makes the case in that magazine as well. How many people are involved in the *Conceivable Dreams* organization?

Ms. Paula Schuck: There are thousands now. I'm happy to say, through social media, we've also grown our numbers exponentially. We have at least 2,000 very active regular members—very active.

Mr. Michael Prue: Now, I do know that there are many people who wonder—and you adopted your children—why people wouldn't just choose that option. Why does government have to be involved in procreation in the first place?

Ms. Paula Schuck: Why wouldn't people just choose to adopt? It's a personal choice, and also, from my perspective, I will tell you, I have two little girls. One has special needs. I am happy to parent her and meet her needs despite the lack of supports available for us. Not every family can do that. The number of kids that are available for adoption with special needs is extremely high, probably 80% to 90%. Absolutely, I am the biggest champion of adoption, but you cannot just say, "Just adopt." It's not a case of "Just adopt." Many couples can't afford it. Many couples are not ready to meet the challenge of a special-needs child.

Mr. Michael Prue: Okay. Being a parent is a lifetime commitment. Every once in a while people come and say, "Do you know how much it has cost me to raise my kid from birth until right through university?" They can quote you a figure like a million dollars. I'm just wondering: People who are struggling and want to use this—you're looking at \$15,000 to \$50,000, and if you're planning to have a child, you're looking at, like, 20 times that or 50 times that. I'm just—

Ms. Paula Schuck: Yes. So what's the question?

Mr. Michael Prue: I'm just wondering, if people have that much difficulty putting the money upfront in order to conceive, would they have a similar difficulty—

Ms. Paula Schuck: No. I don't find that to be the case. I find our couples, even our singles, to be extremely committed to parenthood—to parenthood, period—the same as adoptive parents. They will go to the ends of the earth to form their family. They will go \$50,000 in debt to form their family. Should they have to go \$50,000 in debt? No, they should not.

Mr. Michael Prue: One question that's a medical question: I'm wondering why, knowing the risks of multiple births, women allow themselves to be impregnated with many eggs all at once. I watched in the United States that woman who gave birth to eight or nine kids and she already had I don't know how many.

Mr. Mike Colle: Octomom?

Mr. Michael Prue: Yes, whatever. And she already had all those kids. I mean, I'm just wondering, should we be regulating doctors not to do that because, as you say, there's a huge incidence of kids being born with multiple problems when that happens?

Ms. Paula Schuck: Right. And in all honesty, if the government is going to contribute some funding for IVF, then they get a say; otherwise they do not get a say in my reproductive rights.

Mr. Michael Prue: I think those are all the questions I have, unless you have some.

Mr. Taras Natyshak: Is there time, Chair?

The Chair (Mr. Kevin Daniel Flynn): There is, yes, about two minutes.

Mr. Taras Natyshak: Are there any efforts at the federal level to address IVF support?

Ms. Paula Schuck: Not that I'm aware of, no.

Mr. Taras Natyshak: Does the province provide any financial support for the adoption process?

Ms. Paula Schuck: The province provides—it's interesting, because I was involved in that process; I also run a non-profit for adoptive parents in my spare time. We have subsidy support, but that is very limited. It's for sibling groups that are adopted after, I believe, June 2010 and those over the age of 10. So there is limited support for adoptive families.

Mr. Taras Natyshak: And are we making any strides technologically through advancements in IVF to make it a more cost-effective means? In vitro fertilization has been around for quite some time. Is it still an expensive process compared to what it was historically?

Ms. Paula Schuck: We are making strides every day to reduce the cost of that, and I can also say that we're extremely open to partnerships with other organizations that will reduce the cost, or even cost-sharing arrangements.

Mr. Taras Natyshak: Well, I certainly appreciate your deputation. I've got two children. I know many of us around here have kids and we know that they are the joys of our lives.

Ms. Paula Schuck: Absolutely.

Mr. Taras Natyshak: To help a parent, to help a couple achieve that and feel that joy is, I think, a worthwhile endeavour for the government to help facilitate. I don't know about the money side at this point, but it's certainly something that I think is, as you've said, a progressive thing.

Ms. Paula Schuck: Right. Okay, thank you very much.

The Chair (Mr. Kevin Daniel Flynn): And thank you, Paula. Great presentation.

WINDSOR-ESSEX COUNTY ASSOCIATION OF REALTORS

The Chair (Mr. Kevin Daniel Flynn): Our next speakers are from the Windsor-Essex County Association of Realtors. Sandra and Julie, are you in the audience? Thank you for coming today. Make yourselves comfortable. Like everybody else we're hearing from today, you get 15 minutes. You can use that any way you see fit. If you'd like to leave some time over at the end for questions, that's entirely up to you. The questions this time will come from the government side. Having said that, the floor is all yours.

Ms. Julie Green: Thank you very much. Good afternoon, ladies and gentlemen, and welcome to the great city of Windsor. I would like to thank the committee for selecting the Windsor-Essex County Association of Realtors to present for you today.

The Chair (Mr. Kevin Daniel Flynn): I'm sorry, before you go on, would you identify yourself for Hansard so we know which one of you is speaking?

Ms. Julie Green: It's coming right up. My name is Julie Green. I am a broker with Re/Max Preferred Realty and I live here in Windsor. I'm also the chair of our board's 2013 political affairs committee. Joining me today are Krista Del Gatto, our CEO at the Windsor-Essex County Association of Realtors, and Kim Gazo, our association president.

Just as a point of background, the Windsor-Essex County Association of Realtors represents 841 real estate salespeople and brokers. Our board was founded in 1918 to organize real estate activities, promote higher industry standards and advocate on behalf of local homeowners.

We are pleased to present the recommendations of our association with respect to the 2013 budget. Our recommendations focus on two main areas of concern in our industry. The first involves reducing the red tape burden on electronic agreements of purchase and sale. The second involves protecting home ownership for future generations by stopping the spread of the municipal land transfer tax. Both of our recommendations come at no cost to the provincial government and will continue to encourage a strong housing industry, which, as you know, is vital to our provincial economy.

Mr. Chair, I've been working as a realtor for over 23 years. In that time, our industry has gone through considerable change. Not that long ago, listings were typed and stored in large filing cabinets. Transactions were completed in person, with both consumers and realtors traveling to sign documents, view properties and exchange information.

Today, listings are uploaded to a central database and viewable from anywhere in the world. Realtors use the Internet to meet with clients virtually, exchange documents and promote their business. Social media, smart phones, tablets and cloud computing have helped so many of us to make our industry more accessible, more efficient and more consumer friendly, but while organized real estate has progressed along with these new

technologies, the regulation of e-commerce in real estate has not.

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Twelve years ago, the provincial government passed the Electronic Commerce Act. This act helped facilitate the use of e-commerce in our province by extending the same legal protections afforded to written commerce. Unfortunately, under section 31(1), paragraph 4, the act excluded “documents, including agreements of purchase and sale, that create or transfer interests in land...”

We are here today to ask the provincial government to remove this exclusion from the Electronic Commerce Act in the 2013 Ontario budget. Removing the exclusion from the act will enhance the legal protections afforded to electronic agreements of purchase and sale. In doing so, this government will allow consumers and realtors to benefit from technology that makes real estate transactions more efficient and accessible and is more consumer friendly.

Technology that supports electronic agreements of purchase and sale can cut transaction time from weeks or days to just minutes. At present, realtors must send an agreement by email or fax. It is then printed and signed, then scanned, then emailed or faxed back. These cumbersome steps must be repeated for any amendment or change to that agreement.

The technology that supports electronic agreements of purchase and sale removes all of these steps. Instead, it provides one central platform for all approvals required to complete the transaction. Consumers and realtors can log in to a website from their mobile phone, tablet or desktop, and review, initial or sign documents from anywhere in the world. This technology is available in other sectors of our economy and is widely used in the US real estate industry. In addition, Alberta and BC permit the use of electronic agreements of purchase and sale.

From a proposal that will promote a stronger and more vibrant real estate industry to one that threatens its vitality, we would now like to discuss the issue of municipal land transfer taxes. As this committee knows, Toronto, under the City of Toronto Act, introduced a municipal or city land transfer tax in 2008. As a result, Toronto homebuyers pay two land transfer taxes, the provincial and the city, amounting to about \$15,000 in tax on an average home.

Mr. Chair, thanks to the double land transfer tax, Toronto homebuyers and the local economy are feeling the pain. A 2012 study by the C.D. Howe Institute found that tax has caused an annual 16% reduction in home sales relative to other municipalities in the GTA that do not charge the second land transfer tax. When you consider that every MLS transaction in Ontario generates about \$40,000 in consumer spending, 16% fewer home sales is bad for local job creation and the local economy.

Despite its serious implications for the local economy, other municipal politicians continue to press the province for the power to levy a municipal land transfer tax. In December 2012, Mississauga city council considered a

motion asking the provincial government to amend the municipal tax act of 2001 to give municipalities the ability to levy their own land transfer tax. The motion also asked other municipalities across the province to endorse the request.

Thanks to the efforts of local realtors, Mississauga took the motion off the table and referred the matter to the Large Urban Mayors' Caucus of Ontario, or LUMCO. Organized real estate has learned that LUMCO is currently lobbying provincial political parties to give municipalities new revenue powers. A favourite new source of revenue among large urban mayors is this municipal land transfer tax.

Windsor realtors are here today to say unequivocally that we oppose any attempt to open the Municipal Act and to give Ontario cities the ability to levy a municipal land transfer tax. Realtors believe that municipal land transfer taxes are bad public policy for a number of reasons. However, our presentation will focus on one issue in particular, namely, that the tax creates an incentive for homebuyers to move outside of the municipality where the tax is charged.

This incentive has serious implications for municipal infrastructure and the urban economies. The C.D. Howe report confirmed that homebuyers avoided paying the tax by moving to municipalities bordering Toronto, forcing many of them to commute into the city for work and leisure. We also know that many large urban mayors want the tax to pay for better municipal infrastructure and local transit. The irony of the situation, however, is that the tax ends up encouraging less intensification, more sprawl and more pressure on municipal roads.

Moreover, by encouraging less intensification, the tax makes building better transit more difficult, since the region's population would be more dispersed over a greater geographical distance.

Mr. Chair, this tax is also bad for urban economies. When people buy homes, they contribute to the local economy by purchasing appliances, renovating and hiring various professionals.

In 2012, MLS home sales in Windsor generated \$220 million in consumer spending, averaging \$40,350 per each home purchased. If home sales were to drop 16% here in Windsor, like they did in Toronto, our local economy would miss out on \$40 million in consumer spending. This consumer spending creates jobs, supports existing jobs and helps to maintain a healthy local economy.

In conclusion, Windsor realtors are recommending two courses of action in the 2013 Ontario budget: first, that the province amends the Electronic Commerce Act to remove the exclusion for agreements of purchase and sale. This amendment would reduce the red tape in the real estate industry, make transactions more efficient through the use of modern technology and would not cost the province a dime.

Second, we urge the province to stop the spread of the municipal land transfer tax. The tax is bad public policy and will hurt the housing market, hurt the urban econ-

omies and incentivize people to move to the outskirts of large urban centres where the tax is charged.

Thank you so much, and I'm happy to take questions.

The Chair (Mr. Kevin Daniel Flynn): Thank you very much. Thanks for the presentation. As I said, the questions go to the government side. Michael?

Mr. Mike Colle: Thank you very much for your presentation. I do think you've got a wonderful sort of hidden gem here of a place to market. The Windsor-Essex area and the surrounding communities are certainly filled with all kinds of attractions, from the water, from the climate, from the people, and the proximity to a lot of interesting activities—and it's a very affordable place. I've always thought—I couldn't understand why so many people are buying property all over the place, like Niagara-on-the-Lake and these places. But anyways—

Ms. Julie Green: We agree. We agree with you.

Interjections.

Mr. Mike Colle: No, places like Amherstburg, Kingsville—they're phenomenal places. I really do think they're underappreciated for what they are. I really think you've got incredible potential here.

Just in terms of the land transfer tax, you just piqued my interest, because I've been following this. There was all kinds of doom and gloom predicted, when the land transfer tax came to Toronto, that everybody would buy outside of Toronto, according to C.D. Howe etc.

My evidence—and I'll ask for a report on this from our research committee—has been just the opposite. We've had a real estate boom in Toronto since 2008. It has just gone unabated. Houses: There are not even signs up anymore; they go up so quickly, the for sale.

The intensification has gone nuts. In certain parts of Toronto, it's 10 times over the Places to Grow limit. I mean, you come to my area, Yonge and Eglinton—Jesus, there's not a square inch left of land. It's all condos. We've got more cranes in the sky in Toronto than all of North America combined—even Mexico City.

I'm not saying the land transfer tax is a good public policy, because there are questions about it, because it can really maybe upset the balance. But I'm just saying that Toronto's situation has been just the opposite. There has been really great real estate activity that has generated a surplus for the city of Toronto every year. It's about a \$250-million-a-year surplus every year in the city coffers.

And Toronto, as you know, in population—we're growing. We just surpassed Chicago.

I think it's important to maybe get that on the record, in terms of the impact of the land transfer tax on Toronto real estate prices, on real estate sales, on the Toronto economy etc. It's a worthwhile thing, because perhaps it isn't beneficial, going across the province, but I know Toronto's situation—I just have found the opposite of what everybody was predicting since 2008. I don't know if you'd like to comment on that.

Ms. Julie Green: Well, basically, the study had indicated that there was a 16% drop. Now, was it a 16%

drop in the number of houses sold or was it a 16% drop in the dollar amount? I believe it was in the dollar amount. So I don't believe that the people are recognizing the same types of dollar value for their properties that they would have been without this land transfer tax.

Mr. Mike Colle: That's why we need that information. That's a very good question, because prices are going through the roof in Toronto. Condos—for 400 square feet, they're asking for \$400,000, \$500,000 almost, and house prices? Forget about it. That little semi in the Annex or the Beach or Bloor West: You're looking at—an 18-foot frontage by 100 feet is \$670,000, and they're not coming down. There was a little bit of a blip this last month, but I don't know what the factors are.

I think it's a very good initiative that you're at least asking for this to be looked at, but I just don't see where C.D. Howe gets a 16% drop, because I haven't seen it. In fact, everybody complains about prices just going crazy, and there's no housing available, and then you're paying through the roof for all these condos. They've got projects on line still. I mean, it's just condo-crazy there, to say the least.

The drive to the city is—everybody wants to come to the city, and they are coming to the city, from Thornhill and everywhere. They can afford it.

The Chair (Mr. Kevin Daniel Flynn): Let's pick on Peter. Okay.

Interjections.

The Chair (Mr. Kevin Daniel Flynn): Soo, you've got about a minute.

Ms. Soo Wong: Okay. A quick question for you: I noticed that in your presentation you talk about the technology piece. Can you share with the committee in terms of the electronic piece in terms of privacy? Because you've made reference to Alberta, BC and other US jurisdictions' electronic agreements. How are they dealing with the whole issue of privacy and not to violate the Ontario privacy legislation? Can you comment on that?

Ms. Julie Green: From my understanding, it is an actual secured website that they have to log into to be able to get these documents. Electronic signatures will not compromise consumer protection. The Electronic Commerce Act requires that all electronic documents be available for reproduction, which would protect our consumers. That doesn't help me. But from my understanding, it is a secure website that they have to log into that only the realtor and the buyer and seller will have access to in order to be able to get the documents.

Ms. Soo Wong: Okay. Thank you very much for your presentation.

Ms. Julie Green: You're welcome.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Julie. Kim and Krista, thanks for coming today.

Mr. Mike Colle: And can you make sure that you send us a copy of that report from research, just to compare notes? I think I'd be very interested in—and

getting your comments back on that. I'd be very interested.

The Chair (Mr. Kevin Daniel Flynn): Thank you.

WINDSOR ESSEX COMMUNITY HEALTH CENTRE

The Chair (Mr. Kevin Daniel Flynn): Our next delegation today is from the Windsor Essex Community Health Centre. Lynda, are you here? Make yourself comfortable. There's probably a clean glass and some water out there if you want some.

Like everybody else, you've got 15 minutes. Use that any way you see fit. If there is time for questions at the end, it will be the Progressive Conservative Party asking. If you'd just introduce yourself near the start of the presentation so we get it on Hansard, that would be great.

Ms. Lynda Monik: Okay. Thank you for the opportunity to meet today. My name is Lynda Monik and I'm the CEO of the Windsor Essex Community Health Centre. The Windsor Essex Community Health Centre is one of 123 community health centres, aboriginal health access centres, community family health teams and nurse-practitioner-led clinics from across the province. The centre is funded by the Ministry of Health and Long-Term Care, and the funding is flowed through our Erie St. Clair Local Health Integration Network.

The mandate of a community health centre is to serve priority populations. Those priority populations include people who have difficulty navigating the health care system—they require somebody to advocate on their behalf—and they include individuals who live in poverty, who are homeless, at risk of homelessness, some of our youth, people with mental health conditions and seniors. These people are some of the highest users of our health care system.

Here in Windsor, our community health centre is much like other community health centres across the province. We currently serve about 4% of the residents of Windsor-Essex through primary health care, health promotion and disease prevention strategies. Our goal is to serve 15% of the population. Some 15% of the population in Ontario lives in poverty, and those are our clients or our prospective clients.

Primary health care should be the foundation of our health care system. Our approach today is really to seek investments to be made here in primary health care, to keep people healthy, happy, active and at home. Nobody really wants to be in the hospital.

The CHC model of care utilizes an interprofessional team. We have many people, including physicians, nurse practitioners, registered dietitians, social workers and other professionals, to deliver care. Our belief is that health is more than just seeing a physician. When you have no food in your cupboard and you can't pay the rent, there are other priorities that overtake and then become the priority rather than your health.

In research released in 2012, CHCs have proven that our model of care can improve health outcomes for some

of the province's most complex and difficult clients. We've kept them out of the emergency departments and, consequently, from being admitted to hospitals. When you keep people out of the acute care system, this eases the financial burden on the system.

Studies by Élisabeth Bruyère also show that the community health centres do a better job than other models promoting health, preventing and managing chronic diseases, and we're able to better serve our communities. We have a proven track record; we provide the right care for people. That is why this model and the community require further investments. Our efforts to keep people out of the acute care system need to be rewarded so that we can continue to take care of the most complex.

Our sector has been underfunded since its inception almost 40 years ago. What that has caused us to do is really realize the value of every dollar, partner with others and build capacity through the system through those partnerships.

The government needs to consider realigning services to the community. Take them away from hospital services and make investments in the community. There are outpatient clinics—some procedures that actually can be reallocated and invested in this sector.

The CHCs are ripe for change. Any talk of a mega-hospital should include a reallocation of resources to the community. The thought or the concept that everybody has to go to hospital needs to be broken so people can actually appreciate the care that's offered in the community.

Locally, one of our locations operates out of the basement of a secondary school built in 1923. I have to tell you, the staff there can't drink the water from the tap; bottled water has to be brought in. We don't live in a third-world country. There is a backlog at the capital branch of the Ministry of Health and Long-Term Care. The capital requests for this sector—some of them promised since 2001—need to be funded. Locally, we have about \$3 million sitting that's been earmarked for this one location. We just need to access those dollars.

The government needs to reallocate unspent dollars from other areas within the health care system so that we can actually fund other programs and services. We have programs and services that are just simply not sustainable. We're using volunteers; we're using donations. We have an oral health care program. There is no oral health care for adults. So for those who are homeless and at risk of homelessness and live in poverty, we are having to develop programs and services ourselves. What we're asking is that there are dollars from children in need of treatment programs. There was \$1 million last year. It went unspent—or in 2011. The system needs to be responsive and be able to reallocate resources to areas where they can be spent, where they can be used and where they can meet people's needs.

As a sector, all the CHCs and our aboriginal health access centres—we've agreed to implement an electronic medical record. There's a willingness on behalf of this sector to implement other strategies, to realize the gov-

ernment's efficiencies and bring the health care system to what it needs to be: something that's sustainable. It currently is not sustainable the way it's being operated.

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In closing, what we're asking for is to direct any increases in health funding to the community. In particular, for the CHC sector, we're looking at at least 1.75% of the 4% that has been promised by the Minister of Health. We ask that you allocate capital dollars to keep the promise for CHCs and AHACs to have new locations and buildings. It's about \$108 million, but some of those dollars have already been earmarked; they are sitting, currently, at the capital branch and they just need to be freed.

We're asking that you make upstream investments in poverty reduction. Allow people to earn more, keep more of their assets and income, and restore benefits. The 2013 budget should ensure an increase to the Ontario Child Benefit to reach a maximum of \$1,310 a year for low-income families.

We're also asking that you reallocate unspent dollars back to the community so that they can be realized and result in more meaningful efficiencies.

That's it. I thank you for your time, and I'd be happy to answer any questions.

The Chair (Mr. Kevin Daniel Flynn): Wonderful. Thank you very much. You've left a lot of time for questions.

Going to the PCs: Peter?

Mr. Peter Shurman: Thank you very much, Lynda. That was a good presentation. I'm sure, from everything I've heard—not just from you, but over the past number of years—you're presenting a pretty accurate picture of what happens to the most vulnerable people in society. I'd like you to amplify on that, because it seems to me—without asking you an open-ended question—that you typify a statement that I could make that would say that it's the people who are the most vulnerable who seem to bear the brunt of just about everything negative that can happen, particularly where the delivery of services that we've come to expect is concerned.

Ms. Lynda Monik: Absolutely; I'd have to agree with you 100%. We know that the result of not being able to advocate on behalf of yourself results in poor health. When you don't have food, housing and some of those basic necessities, the social determinants of health—you can't read, you can't write—it results in very poor outcomes.

Mr. Peter Shurman: No one here—I don't think anyone, anywhere, of reasonable mind could suggest that you don't deserve the things that you're asking for, but you sound like you're pretty literate in terms of how the system works. Why don't I ask you to tell this committee—because this committee is all parties, and it informs the budget process: Where do you think it should come from? I'm not putting the burden on you; I'm asking you to give us some input.

Ms. Lynda Monik: You might be surprised by my answer. I do think that there are probably enough dollars

in the health care system now to actually run quite a Cadillac model of the health care system.

Mr. Peter Shurman: Well, then, you're saying—without putting words in your mouth—that the system is broken, not the dollars allocated to it.

Ms. Lynda Monik: The system is broken, so what we're asking for are dollars that the Minister of Health has promised, which we feel we're entitled to. The amount of dollars that are allocated to health care—there are enough dollars there.

My previous role was in utilization, looking at how hospitals run programs and services and where dollars are spent. There's a lot of waste in the system, and there are efficiencies that still need to be realized.

Mr. Peter Shurman: Then I am going to ask you to give us some specific examples, because I asked you a moment ago, "Where is it coming from?" and you said that the answer would surprise me. Actually, it doesn't, but if "Where is it coming from?" yields that answer, tell me where it's going now that it shouldn't be.

Ms. Lynda Monik: I think you could look at different strategies from things like the capital branch at the Ministry of Health and Long-Term Care in terms of standardizing new developments and what's used. Let me give you a micro-example of this. A local hospital puts in a simple washroom—puts in little tiles that are about one inch by one inch. What does that realize? It means there's more housekeeping; there are more infection control problems. If somebody standardized the capital projects and what was needed to build new hospitals—or even bathrooms in some of these hospitals—there's a lot of savings that could be realized by standardizing some processes. The same thing goes for purchasing—and yes, we are on track with some of that through PROcure, but even the community sector—we've been asking for some of this for a long time. We can't be on that radar yet because we're just too small a player, but there are huge efficiencies to be realized.

Mr. Peter Shurman: Okay. Go ahead.

Ms. Lynda Monik: Do you want more examples?

Mrs. Jane McKenna: Sure.

Ms. Lynda Monik: Policies and procedures: There are 123 community health centres. We all go out and hire our own lawyers to develop things around privacy. Bill 168—the Association of Ontario Health Centres could probably take that money and standardize the policies and procedures for organizations. There's a lot of waste in the system.

Mr. Peter Shurman: Meanwhile, the level of demand, I'm assuming, has outstripped every year what it was the prior year, because in the economic—I guess with the economics of today versus what they were last year, two years ago, three and four years ago, you've got more people looking for more services and less dollars to provide them. Is that correct?

Ms. Lynda Monik: Well, there probably are, but then you have to think about, is the client getting the right service? So right now we have a problem with alternate level of care—

Mr. Peter Shurman: Yes.

Ms. Lynda Monik:—and people sitting in acute care, yet we have a Minister of Health who says, “The right person should be in the right bed at the right time.” Well, acute care is not the right place for many of those people, and yet a first-bed policy to get them out of an acute-care facility and into a rest, retirement or nursing home is not in place. It could easily break the logjam of acute-care beds being tied up by people waiting for long-term care.

Mrs. Jane McKenna: I’m overwhelmed with what you’ve spoken about here today. Number one, I totally agree with you that when you give monies out, no one is looking at the operational costs, and that’s where the biggest problem is: when money is allocated and then all of a sudden now, who’s overseeing the operation of what is actually going on?

Sadly, when you’re in a position, and we are where we are, and we throw 1% and 2% band-aids at problems, we don’t know the questions to ask to fix it. And even though you’re very articulate here today—you’ve given us wonderful information—the waste factor, sadly, impacts the front-line people who need the help that they can get. In Greece right now, as you know, there are people rioting in the streets for their programs that they are unable to get, because once you are bankrupt and people control your debt, then everything else goes by the wayside, because you can’t possibly service any of that.

So where we stand as PCs is that we have to look at, be it the bureaucrats—for the last nine years, we’ve created 300,000 more. And looking at the LHINs and CCAC, I’ll tell you quite frankly, I’m the MPP for Burlington, and I can’t even get them to call me back in trying to get an answer for someone in my community. There isn’t a flow of what people need to get in order to get to where they need to go. It needs to start with the person at hand and then filter out from there, instead of going from the bureaucrats, in what’s best for the patient or the person.

So it was thrilling to hear what you had to say—not thrilling on the part of that it’s thrilling; it’s just that you’re so articulate. You’re bang on with what you’re saying, and we appreciate all the information, because it takes us back to what we need to do, as PCs, for our policy and what we’re doing.

Thank you very, very much.

Ms. Lynda Monik: Don’t confuse, I guess—the waste in the system is certainly not at the front line. The system is being held together by the front line, people who show up to work each and every day. I don’t care if they are in the community or the hospital; they are the people holding the system together. But there’s a lot of money—

Mrs. Jane McKenna: Yes. That’s what we’re saying.

Ms. Lynda Monik:—in between government and bureaucrats, that is wasted. It’s huge.

Mrs. Jane McKenna: Yes.

The Chair (Mr. Kevin Daniel Flynn): Thank you very much, Lynda, for coming today.

Ms. Lynda Monik: Thanks.

LEGAL ASSISTANCE OF WINDSOR

The Chair (Mr. Kevin Daniel Flynn): Our next delegation took a spot that was open in the schedule, and that’s Legal Assistance of Windsor. Is Sarah with us?

Ms. Sarah Charow: I am, thank you.

The Chair (Mr. Kevin Daniel Flynn): Make yourself comfortable. You get 15 minutes, like everybody else gets, and you can use that any way you see fit. If you would introduce yourself early on in the presentation so that Hansard can get your name, and if you would leave some time near the end of the presentation for questions, if you could, that would be great. Thank you.

Ms. Sarah Charow: My name is Sarah Charow. I’m a lawyer with Legal Assistance of Windsor. Legal Assistance of Windsor is a clinic located in downtown Windsor. Among other things, we provide legal and social work services in the areas of housing and income maintenance—a few other services as well, but those are the ones that I will be talking about today.

It might be a little different from other presentations: I’m not asking for money for my organization. I’m here today to talk to you about the Community Start-Up and Maintenance Benefit. So I’m here mostly on behalf of my clients, not on behalf of my clinic.

The Community Start-Up and Maintenance Benefit is a benefit that was available, but it’s due to end very shortly. To be very blunt here, I’d like you to bring it back. And again, I’m not here with any statistics; I don’t have numbers. I’m here to put a human spin on things. I’d like you to hear what my clients have had to say.

1350

The Community Start-Up and Maintenance Benefit was a mandatory benefit that people on OW or ODSP could receive. This benefit was intended to pay for expenses that would help these people on OW and ODSP. It would help them establish a new place to live. It would help prevent their eviction. It would prevent them from having their heat, electricity or other utilities shut off, and it would help them maintain their existing residence. This benefit could be used to pay for large lump-sum expenses. I’m talking about things like first-and-last rent deposits, buying or replacing furniture, deposits on utilities and paying overdue rent or overdue utility bills. Single people on OW or ODSP have been able to receive up to \$799, and families were able to receive up to \$1,500, and this would be once every two years.

Community Start-Up was often a last resort for people on assistance. They could otherwise not afford to pay for big expenses that would keep them housed. Because of the benefits that they receive, it’s a low monthly figure. Any money that they have to put out—for emergencies, for emergency repairs, for moving—any money is really too much money for them. So the Community Start-Up and Maintenance Benefit program was essentially a homelessness-prevention program.

On January 1 of this year, the provincial government eliminated this program. Housing and homeless-related benefits, formerly issued under the Community Start-Up

and Maintenance Benefit, will continue to be funded until the end of this month. Some 50% of the funding for this benefit was passed to the municipalities, to be spent as part of the Community Homelessness Prevention Initiative. As of next month—April 1—some components of the program will continue to be funded under this new program; others may be provided through OW discretionary funding, but we're still looking at a gap.

What we have now, the Community Homelessness Prevention Initiative, will provide rental support, and that includes deposits; utility support, also including deposits; and other supports needed to assist people in their homes or transition them to housing. There are still a lot of questions about what this will actually provide. In our opinion, it provides the basics, but it's definitely not as much as was provided in the past, and it's definitely not enough.

As to why this hurts our clients, I'll start it off. I'm a lawyer; I'll talk about the legal perspective: Before, the Community Start-Up and Maintenance Benefit was a mandatory benefit. Now it's discretionary. Before, people who were on OW or ODSP, who met the eligibility criteria, were entitled to receive up to the maximum benefit allocation. If they were denied, they had a right of appeal—where us lawyers come in. Now there's a limited amount of funding and there is no ability for applicants to appeal the decisions.

As well, I'll talk about the systemic concerns. This is already a very vulnerable population. It's people on OW and ODSP; they're not doing well. Just in general, they're not getting a lot of money. As I was saying before, any money that they need to put out, if something comes up suddenly—any money is a lot of money for them.

I can tell you stories from our clients. My clients, my students' clients, the other lawyers'—we've talked a lot about this. We have seen an impact already. Personally, I do income support law, and my colleague does landlord-tenant matters. We see a lot of people who are on OW, on ODSP, and suddenly they have bedbugs. Usually it's not their fault; it happens. We've seen a lot of bad landlords, and so we hear stories about bedbugs and other infestations.

Under the former program, our clients could get money to replace furniture, to replace mattresses, to prevent the spread of bedbugs and to help solve their problem. Now there aren't the funds for the mattresses, for the beds.

Similarly, we also see a lot of times where our clients have to move. We're talking infestations; we're talking bad landlords. I've seen landlords who are horrible people, yelling at our clients, especially our clients who have disabilities. The Community Start-up and Maintenance Benefit could cover moving expenses. There's no coverage for moving expenses now. If a client needs a new place, yes, they might get a bit of money for rent—first and last—but they won't have the money to rent a truck, furnish a new kitchen and start over, really.

Just in general—I'm not going to throw a lot of numbers or dollar signs at you—what we've been seeing is that a little bit of money issued under this benefit program could reduce a lot of money in the system in general—could save the provincial government more money from other programs.

An example I've heard lately was of a woman who received the Community Start-Up and Maintenance Benefit after she had a baby. She was given money to buy a crib and other necessities needed. If she did not have a crib, we're looking at possible CAS intervention. We could have a child going into the system and costing the government thousands of dollars.

Similarly, what we've seen is that there's a lot of impact that this benefit could have on people with disabilities. The Community Start-Up and Maintenance Benefit gives money for people moving out of institutions like hospitals or other facilities. It gives them money to start up on their own. If they can't move out of these institutions—if their doctors or whoever think they can't make it on their own—they're staying in the institutions or they're out on the street, really. So, by providing them with this money to start up and help them live on their own, we could save a lot of money in other places.

I'm sure you'll actually hear a bit more about this program with Pathway to Potential. I believe they're presenting next. But that's pretty much it from us. The main message is: Please restore this program.

The Chair (Mr. Kevin Daniel Flynn): That's great, Sarah; thank you very much. You've left about six minutes or so for questions, and it goes to the New Democrats.

Mr. Taras Natyshak: Thank you so much. Thanks for the work that you do in our community. Thank you for informing us about the detrimental effects that this decision has created for your clients and our community. I wonder if you could expand on the removal of the CSUMB on some of the service providers that we have in our community in terms of shelters, or folks that rely on this benefit being here, to be able to provide that service. Can you touch on that?

Ms. Sarah Charow: I'll be honest; no, I can't. Honestly, I am coming in just with the stories I've heard.

Mr. Taras Natyshak: This could be referred to or looked at as a program of last resort, when all else has failed and that person just simply can't access any other funds and there's no discretionary income anywhere. Tell me how that really small amount of money, \$799 once every two years, could positively affect somebody.

Ms. Sarah Charow: It makes a big difference. It helps them live, really. You see it put towards housing—

Mr. Taras Natyshak: For us here, you know, \$799—that's \$800. That's \$400 a year. That doesn't sound like a large amount of money. How is it that that minute amount of money can go such a long way under the auspices of this program?

Ms. Sarah Charow: It can because we're looking at providing the basics. We're looking at a new mattress if one of my clients has bedbugs. It's not a lot of money to

us. It just provides the basics. We're looking at paying the rent in case of emergencies. We're looking at fixing a roof if it needs to be fixed, if somebody is not renting; that's the maintenance side of this. It really is the basics. People with incomes other than OW and ODSP—it's easy for us to forget about the little things and how they add up.

I'm salaried now. I still would worry about replacing a mattress in case of bedbugs. For people who have a very limited income, it barely covers their needs as is. If something pops up, if something needs to be replaced or fixed, or if they really need to move, it costs them a lot.

1400

Mr. Taras Natyshak: Have you ever come across the utilization of this fund by people who were escaping negative circumstances, abusive relationships, in an emergency type of a setting?

Ms. Sarah Charow: Yes. My clients personally have not, but I have heard stories from other lawyers. Their clients have been fleeing domestic abuse. We see wives who are taking their children; they're fleeing from their husbands who have been abusing them. It's money that can be used to establish themselves again. It keeps them off the streets; it keeps them out of shelters.

The Chair (Mr. Kevin Daniel Flynn): Yes, Michael?

Mr. Michael Prue: A couple of questions, yes. I don't know, us asking the question—I'm hoping that the next group, Pathway to Potential, will ask the government why they've chosen to do this because we are a little nonplussed at this. You're not the first person—maybe at this committee, but you're not the first person to come forward and talk about this in a public way.

Has anybody ever given you any indication of how much the government intends to save doing this?

Ms. Sarah Charow: Again, I don't have the numbers. I'm very new to this. I have what my clients tell me. There is research—

Mr. Michael Prue: I wonder if I can just request if the researcher can tell us how much money this cutback, starting in January, is saving the government. Because in terms of the dollars, it's probably relatively small, but in terms of the loss to suffering and poor people, it is enormous.

You've said that these are your clients. Do you have any idea how many people, say, in this city or in this area have been cut off or told that they can't have start-up funds?

Ms. Sarah Charow: Again, I don't have numbers with me and this is a very new change. Technically, the benefits will be running towards the end of the month. I'm not sure if there are even numbers out there yet. So it's something that we'll be keeping an eye on. It's something that we're concerned about now.

Mr. Michael Prue: Okay. Do you have any idea, in terms of the overall budget, that money that's given to OW and ODSP recipients, how much of a percentage this is? I would imagine it's relatively small.

Ms. Sarah Charow: I'm sorry. I'm not sure—

Mr. Michael Prue: Well, you know, we give out money to people on ODSP. We give out money to families and people on OW. This \$800 every two years must be a relatively small amount of the total budget.

Ms. Sarah Charow: I would estimate that it is. Of course, when we say "small amount," we do mean to the program, definitely not to our clients.

Mr. Michael Prue: Yes.

Ms. Sarah Charow: Again, it is a mandatory fund, but it's not automatically granted. Each case is judged on its merits and only if it's denied can there be an appeal. It's not automatic.

Mr. Michael Prue: It terms of your client base, how many—what percentage of your clients would, every two years, avail themselves? Because it's been my experience that very few people on ODSP or OW actually apply for it, but when they do, it's usually extraordinary circumstances, as you have said: abuse, bedbugs—something totally beyond their control—a fire in their unit, something like that. What percentage of your clients, as an example, would access this every two years?

Ms. Sarah Charow: Again, I can't give you numbers, but we do see it occasionally. We see it a lot of the times with our landlord and tenant clients. Often you'll see overlap between a landlord and tenant and clients on OW, clients on ODSP. We get the denials, usually. We don't have clients coming in saying, "They gave it to me. I have no problem." We get the people coming in who have been denied. So, again, I can't talk about how many people in general have gotten it or have been denied.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Sarah. We appreciate your presentation.

Ms. Sarah Charow: Thank you.

PATHWAY TO POTENTIAL/VOICES AGAINST POVERTY

The Chair (Mr. Kevin Daniel Flynn): Our next delegation is from Pathway to Potential/Voices Against Poverty. Adam Vasey and Lorena Shepley, maybe you'd like to come forward. Make yourselves comfortable. Once you're settled, you get 15 minutes to make your presentation. Use that any way you see fit. If there's any time at the end for questions, that would be great. The questions this time will go to the government side.

If you would introduce yourselves early in your presentation, then Hansard will know which one of you is speaking.

Mr. Adam Vasey: Sure. Well, if it's okay with the committee, I'll start. Thank you, Mr. Chair, and everyone for having this opportunity for us to speak on the issues that are important.

My name is Adam Vasey, and I'm the director with Pathway to Potential. With me is Lorena Shepley from Voices Against Poverty. I'll just start by giving a very brief description of Pathway to Potential and what we do in the community. We are a collaborative initiative that focuses on reducing and preventing poverty in our community. We engage businesses, individuals and organiza-

tions in this collective effort to raise awareness, engage the community to identify barriers and to work on removing barriers that most affect people living in poverty—and to make the case that reducing poverty is a critical investment in our well-being and the prosperity of our region.

Pathway to Potential has been working in a number of areas, alongside networks across the province that are focused on the importance of ensuring that the commitment to poverty reduction—which was an all-party commitment back in 2009 to have five-year poverty reduction plans in place, to develop targets and meet those targets. We want to make sure that that does not become lost, that that priority does not go by the wayside despite some of the economic challenges. We would argue that, precisely because of the economic challenges that we're facing, this is the time that we have to double down and reinvest in these critical poverty reduction priorities.

I'll just highlight a few of them. I'm not going to touch a lot on CSUMB, because I think that was certainly addressed by Sarah, and I know Lorena is going to say some things about the impact of CSUMB and the changes on her life.

Just briefly, obviously, on CSUMB, that reduction, that change, removing it from social assistance and then deciding to provide municipalities with half of the funding—I know that there was one-time transition funding that came. It was well received on December 27 as a short-term reprieve for communities to be able to deal with some of the transitional issues, but clearly, when that decision on CSUMB happened, part of the reason why it took so many of the anti-poverty advocates by surprise—and municipalities, frankly—was that it came prior to us even having the final recommendations of the commission for the review of social assistance. That was concerning for that reason. We weren't having this conversation about transforming the system in a really meaningful way. This decision was made and really threw a lot of communities, individuals and families into upheaval and created a lot of problems. That's one piece.

Obviously, with social assistance reform, I know that the provincial government had really emphasized that that was one of the key pillars of its Poverty Reduction Strategy: to make bold changes to the system and reform the system in a meaningful way. A couple of things that really came through loud and clear—in addition to, yes, some of the “stupid rules” that the government has acknowledged create barriers for people—were changing some of the earnings exemptions. Surely, that's going to have a positive impact, but one of the things that came up more than anything was adequacy. Clearly, when we're talking about \$607 a month for an individual on Ontario Works, that's not even close to reaching a minimum level of adequacy.

The \$100-a-month healthy food supplement, which has been something that we've been pushing for for the last couple of years, is certainly one of the areas we think is very important as an initial down payment, if you will,

on ensuring that there's some measure of adequacy in the social assistance system.

The other parts of the policy that I would like to touch on, which actually proved to be quite successful—and also were pillars, at least in the case of the Ontario Child Benefit. The government had recognized that increasing the Ontario Child Benefit would be a really important way to lift families and children out of poverty, and that was one of the big features of trying to meet the target of 25% reduction of child poverty in five years. We're now at 2013. It being the last year of that first five-year plan, we really want to make sure that the Ontario Child Benefit increase is made, and accelerated, in fact, because it was largely responsible, along with increases in the minimum wage, for the reason why, despite the recession, we saw a 6% reduction in child poverty during the period of 2008-10, for which 2010 is the last date that we have data on poverty in our community.

I think that was a really encouraging sign, that that type of reduction in child poverty could happen in spite of the fact that there were a lot of other factors in the economy that were making it very difficult for others.

1410

Just to highlight the fact that policy choices do make a difference—and these are choices. We strongly would encourage you to consider making some really bold but important choices for the people who are the most vulnerable in our community.

With that, I will turn it over to Lorena.

Ms. Lorena Shepley: Hi. My name is Lorena, and as Adam mentioned, I'm with a group called Voices Against Poverty. We're a group of individuals with lived experience in poverty, some of us on assistance, some of us working poor. We try to bring awareness to the community on issues around poverty and policies that may affect people in poverty.

Anyways, I'm here to—excuse me for reading. I'm very nervous—

Interjections.

Ms. Lorena Shepley: I'm referring to my notes a lot here.

I'm here to urge you to consider reinstating CSUMB to the upcoming provincial budget. I'll be speaking from the perspective of one who has used the social assistance system in Ontario, specifically ODSP, and has had to deal with some of the issues that have occurred as a result of CSUMB being cut from the budget.

First of all, I'd like to gratefully acknowledge the allotment of funds that was recently downloaded to the municipalities to deal with the problems that have arisen from the cut to the CSUMB. This, however, as you all know, was one-time funding, and at the end of the day I believe these problems will still be there to deal with.

One of the problems that users of this funding are seeing in the current form and the way it's being dispersed is the lack of the right of an appeal, which Sarah from LAW spoke about. This is something that's very real and very important to the user, because it's

often very difficult to access these kinds of funds without the support of legal assistance.

Also, there are many of us who fall through the cracks, including those who need moving expenses for a variety of reasons, from fleeing an abusive relationship, to needing to move from substandard living conditions, to a person's life circumstances changing—this is something I personally experienced myself recently, and it necessitated a move. There are many, many thousands of people like me, I'm sure. People can need to move for medical reasons, or maybe they've stopped sharing accommodations with somebody and their rent has doubled all of a sudden, so they need to find someplace more affordable.

The last month's rent was also available under CSUMB benefits, as well as the ability to purchase large pieces of necessary furniture and appliances. With the bedbug crisis, this was a very important benefit to access, as one cannot simply purchase a used bed or sofa these days. I feel that without this option, the bedbug crisis will escalate even further. This benefit was, as you know, available every 24 months. Although I have heard, and I'm sure you guys have heard, many tales of those who have abused the system and abused the benefit, make no mistake: It was not really all that easy to access. Based on my experience and that of most of the people that I know who are on OW or ODSP, I believe that most recipients use it as a last resort and use it much less frequently than once every 24 months—maybe not even at all. In short, I urge you to strongly reinstate this very important benefit to OW and ODSP.

I just have one more thing to add, if it's okay. While you guys were questioning Sarah, it dawned on me—

The Chair (Mr. Kevin Daniel Flynn): Just take a break—

Ms. Lorena Shepley: The fact that people only use it as a last resort sticks out in my mind. I thought of my own circumstances. People don't run out every 24 months and buy a new bed. I got my bed used, from my mother. She bought it 20 years ago, and I've been using it for the last 10, and I just handed it down to my granddaughter. So, I think that I am probably the norm for most people on assistance. People aren't running out there and buying new furniture every 24 months. I really would urge you guys to really consider that point. People hear lies and stories about people abusing the benefit, and I don't see it. In my experience, I don't see it.

The Chair (Mr. Kevin Daniel Flynn): Thank you. There's a clean glass there and I know there's some water there. If you want to have a glass of water, help yourself. While you're doing that, we'll turn to—are you done too, Adam?

Mr. Adam Vasey: Yes.

The Chair (Mr. Kevin Daniel Flynn): The questions are coming from the Liberal side this time. Who's going to go first? Dipika?

Ms. Dipika Damerla: Thank you so much, Adam and Lorena, for your presentation, and particularly Lorena—very heartfelt. Thank you for sharing your story.

The recommendations that I see here: Are they joint recommendations or only from Pathway to Potential?

Mr. Adam Vasey: I won't speak for Lorena, but Voices has been involved in all this advocacy so I think it's safe to say that all the big policy recommendations are shared.

Ms. Dipika Damerla: The reason I asked is that I just wanted to know: Are they listed in your order of priority?

Mr. Adam Vasey: They're not listed in order of priority.

Ms. Dipika Damerla: So if there was an order of priority, would you be willing to share that with me?

Mr. Adam Vasey: Yes, I think so. I think, from our view, it has always been about social assistance—when I spoke about adequacy—ensuring that since this has been such a focus of the government to reform the system, that there are some key changes made within that system that truly are going to have a meaningful impact on people's lives, people who are affected, who are in receipt of Ontario Works or the Ontario Disability Support Program. So I would certainly say that that's a priority.

Ms. Dipika Damerla: You're talking about CSUMB?

Mr. Adam Vasey: Oh, for sure, CSUMB, yes, but as well as—see, I think that's part of the problem: That cut was made, and it wasn't even part of a discussion. If we're talking about priorities, I would say, yes, absolutely, the reinstatement of CSUMB because its importance as an essential benefit with a right of appeal within the social system is incredibly important. I know that municipalities have been asking for more flexibility to deliver programs in the way they see fit, but they weren't asking for more flexibility and to see less money; they were actually wanting to ensure that they were able to provide the services. Municipalities now have to provide services to a broader segment of the low-income population, not just people on assistance.

I think that's part of the thing that's troubling. Even in social assistance, a lot of the language, when the review process was being framed, was trying to make tradeoffs and pit the working poor against social assistance recipients. I don't want to accept the premise. I want to say: Reinstate CSUMB. Make meaningful reform to the social assistance system, such as the \$100 monthly increase for individuals on Ontario Works. That, to me, would show a real commitment to addressing the issues we've really been talking about for a few years now.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Adam; thank you, Lorena. We're all out of time—

Mr. Mike Colle: Oh, I can't ask a question about bedbugs?

The Chair (Mr. Kevin Daniel Flynn): We're all out of time, unfortunately. Thank you.

Mr. Adam Vasey: Thank you.

Interjection.

The Chair (Mr. Kevin Daniel Flynn): Unless you have a gluten intolerance, there's a trayload of pie over there. Please help yourself. And there's coffee and tea over here as well.

1420

VON ONTARIO

The Chair (Mr. Kevin Daniel Flynn): Okay, after the big pie announcement, we're going to hear from VON Ontario. Andrew Ward, would you come forward?

Okay Andrew, just make yourself at home there, make yourself comfortable. You've got 15 minutes; use that any way you see fit. If you want to leave some time at the end for questions, that's great, and if you do, those questions will be coming from the Progressive Conservative Party. If you'd just identify yourself early in the presentation so it gets on Hansard, that would be great.

Mr. Andrew Ward: Perfect. Can everybody hear me all right?

The Chair (Mr. Kevin Daniel Flynn): Yes.

Mr. Andrew Ward: Okay, great. There are some handouts being passed around now, two parts, with case studies and a little bit of our executive summary.

Good afternoon and thank you very much for having me here today. My name is Andrew Ward and I'm the district executive director for Erie St. Clair VON, a representative of VON Canada. I serve the Windsor-Essex, Chatham-Kent and Sarnia-Lambton regions. And thank you very much for inviting me to appear before the committee and allowing me to inform you of not only who VON is but also what we do and how we're working in collaboration with many community partners.

We assist those who wish to remain independent and healthy within their own homes and in their communities as long as possible. By working together with other community support agencies, hospitals, the CCAC, the LHIN, our residents and Erie St. Clair district—health and social health care in their homes versus being admitted to the hospital, thereby saving precious health care dollars.

Victoria Order of Nurses is Canada's largest national not-for-profit charitable home and community care organization. VON is dedicated to being a leader in the delivery of innovative, comprehensive health and social services and to influencing the development of health and social policy in Canada. I'm sure many of you have seen the opening of the Pelee Island nursing station just recently, the opening of chronic pain management programs. It's a real tribute to some of the great work that's happened in Windsor-Essex.

Our vision, which I won't go into to any great extent because you'll have it in front of you, is that we will be Canada's leading charitable organization addressing community health and social needs. This is really our business: home and community care.

Our rich experience and intimate knowledge of the sector and the health and social needs of Canadians—given our aging population and the preference of Canadians to age at home, the demand for home and community care will continue to grow. This is really the focus, and the demand is literally exponential over the next five years, so I appreciate the opportunity to share this with you.

Our organization is part of the Ontario Community Support Association, a network of agencies providing home and community care to over one million Ontarians per year, which is quite significant because even though we are a national entity, we recognize it's only through partnership that we're able to achieve this incredible demand and service need.

VON Windsor-Essex serves a population of 393,000 people. It is supported by a dedicated 10-member volunteer community board of directors, 80 staff members and 250 volunteers—this is just Windsor alone. In Erie St. Clair, we delivered over 10,000 hours of volunteer service. I believe there was a recent statistic: over one billion hours of volunteer service in Ontario alone in the last year. Our voluntary workforce is aging and so there's a heavy demand, as I'll go into later in this presentation. As that erodes away, the demand and the burden on the service sector is going to be exponential. That's a cost that we're not paying for within our health care system at present.

VON provides visiting nursing. Last year alone, we delivered over 32,000 nursing visits in Erie-St. Clair, Chatham, Windsor and Sarnia; 357 shift nursing visits. We have a Belle River nurse practitioner-led clinic for primary care which just expanded in the last year and a half and we're very appreciative of that; we have over 1,800 clients there.

Specific to our community support programs, our home help program provides in-home help to the frail, providing light housekeeping and services, which is a very minimal cost and it maintains patients within their homes. Last year, we served 531 clients, but we have a wait-list of over 58 clients waiting to come on to service, and these are clients who are bouncing into the ER, causing that frequent flyer into ER, and that's a heavy burden on our system. These patients could be served in their home.

We served over 279 foot care clients. If we had not done that, those clients would have deteriorated with infections and they would have gone into the ER.

Supportive housing: We served over 29 clients last year, which is essential homemaking in-house to an apartment building, but we have 21 clients who need that service and they're on a wait-list. So there's a huge demand, and those patients are either staying and becoming an alternative-level-of-care bed in the hospital, which is \$1,000 a day—and the cost is minimal to keep them in supportive housing, so shoring up that wait-list is a first priority.

In the package that you have, there are two case studies showing that if those patients had not received supportive housing, they would have been in long-term care or they would have been receiving an alternative-level-of-care bed, which is an exorbitant cost to the health care system which could be better met somewhere else.

Our Meals on Wheels program served over 678 patients last year who are dramatically isolated, many of them, and we are their only contact, literally, to service.

These patients, without that socialization, would deteriorate rapidly.

DETOUR, another program that opened up in the last two years, which is Detering Emergency Time Offering Urgent Respite, is a very, very successful program which I'm eliciting your help to expand and to focus on. What we do with that program is we offer, out of the ER—patients who have a mild mental health diagnosis, who show up in the ER, who present in the ER, who would take up a hospital bed, can be offered emergency respite into a partnership with a residential care facility. That saves a bed day, which is about \$1,000 a day on average. The cost is literally about a fraction; we're talking about less than about \$80 to \$100 a day in this alternative, in that portion. We served 54 clients last year; we saved the system half a million dollars. Literally, it's over 600 hospital bed days we saved the system by serving those patients in this last year. These are the types of services that we can grow and expand, and reduce the hospital burden and the care costs to our system.

We have a weekend prenatal program offering instruction for couples. We offer a chronic pain management program that served over 450 clients last year, and our wait-list is growing dramatically.

Pelee Island nursing station is growing dramatically. A lot of patients within the Pelee Island area are isolated for their health care, so any investment into primary care right now, into those isolated geographies, is key, serving over 600 patients.

Just to boot, we served over 2,200 students last year in offering the Ontario Student Nutrition Program. We're feeding kids in their schools, kids who are isolated as well.

We are conscious of the government's health care objectives to efficiently deliver high-quality health care services and to help prevent people from getting sick or requiring more acute care. These are objectives of the home and community care sector as well.

All of us working in health care realize that with an aging population, chronic disease has become more prevalent in smaller families, often scattered across the country, making caregiving more challenging. We must be as innovative and effective as possible. A progressive and modern health care system keeps people healthy and connected in their homes and communities, not sick and alone in institutions. We believe home and community support works, because it offers flexible solutions and it's cost-effective.

I won't go into detail with the case studies. But it's dramatic, the impact, because many of these people have a hard time advocating for themselves, and that constituent base is definitely represented in the people that we serve. Really, there's a huge impact that we could have in serving these marginalized populations.

It is our position that a modest targeted funding for community-based health services in the 2013 budget is a justified long-term investment. We welcome Dr. Sinha's recommendation, in his landmark report on the future of seniors' care, that the government continue with at least a

4% increase in funding to the home and community support sector, which is very cost-effective.

Investments can be made to enhance our capacity to provide more service to people, thus helping to reduce hospital admissions and/or readmissions. These can include, but are not limited to, supporting family caregivers by investing in adult day programs; funding to increase services to people with physical and mental disabilities; Meals on Wheels; transportation—all the services I just mentioned—investing in health and human resources, pay equity and training.

1430

The difference between hospital and community pay is dramatic. This is where most people will receive their care in the next 25 years. You're not going to get the best people in the community unless we focus on this area, to be very, very clear.

Information communication technology—providing funding for agencies for technology upgrades, licensing and training: The migration is going into the community, and the infrastructure is not there.

Our challenge, for all Erie St. Clair LHIN-funded agencies providing community support service: We are doing our jobs well. We are keeping people at home and out of long-term care, at the agencies' expense. It's becoming more and more difficult to do the job that saves the system. Clients are returning home from hospital requiring more care. Clients are becoming more and more complex, and the pay or the service and the investments are not there. This is why increases do need to happen in the community. There's a requirement of increasing staff time to be spent on a client, with no funding increase for programs.

We're also seeing a large ramp-up of referrals for mental health and addictions patients, disabled patients—more complex patients. Our volunteer base, as I said earlier in the presentation, is getting older. To be blunt, everybody, I have Meals on Wheels volunteers who are 80 delivering to patients that are 60. They're not going to be there in 10 years. Caregiver burnout support needs to be in place for caregivers, emotionally and financially.

With even a small increase to our base funding, our organization could enhance its quality. They could ramp up their services and implement a wider distribution of those care services, helping seniors who want to age at home and retain their independence but cannot because they may lack supports in their area that they require to remain safe and healthy within their homes—for example, PSW services for housecleaning. Many of you do know this: that the community support services could receive funding so that they could offer personal support to maintain clients within their home.

Those home help programs, and the personal support, supportive housing—those are the programs that save the system money. They need to grow, and we can reduce hospital admissions by maintaining people within their homes. We also would like to continue to expand the DETOUR program that I spoke of, chronic pain programming—which are high users of health care services; these

patients consume over 65% of our dollars in the health service. If we are able to focus in intently on serving those patients and providing the right care at the right time at the right place, we can bring down the costs of care. That's basically what I'm looking for here.

I'm open to any questions based on those services and those needs.

The Chair (Mr. Kevin Daniel Flynn): Okay. Thank you, Andrew. The questioning comes from the PCs this time. Peter?

Mr. Peter Shurman: How long have we got?

The Chair (Mr. Kevin Daniel Flynn): About three minutes.

Mr. Peter Shurman: Okay. You speak very well extemporaneously. You spent most of your time—I think very adequately—informing the committee on this incredible range of services that you provide and, further, that obviously you need to provide. It strikes me that there's a huge disconnect, and this is what I'd like you to speak to us on. Those guys—that's the government—want more home care. We're the opposition; we want more home care. That's the third party; they want more home care. We've all said that.

You say, "This is the best way we can possibly treat an aging population—a population that's not as mobile, a population that doesn't have a central ability to handle the kind of load and so forth. We're doing it catch-as-catch-can; we're doing a great job, but we've got 250 volunteers and 80 full-time"—I heard all of that, and I made copious notes. What has to happen for all of this "I want, I wish" to translate into reality? Where's the business plan? Not the business case; that's there. Where's the plan? Who has to create it?

Mr. Andrew Ward: In partnership, as I said earlier; identifying the needs. Some of that question, for VON, is that we are not alone in this effort. As I said earlier, the Ontario Community Support Association has been advocating for a base funding increase to community supports and home care. It's not something that we, as one agency, can define or make a business plan for. It has to be with integrated service models and in partnership with primary care and hospitals, because if we're seeing a migration of acute care services into the community, we need to understand that demand with hospitals, so that we can better care for those patients.

Mr. Peter Shurman: So your expectation, then, in coming here—much as others have done, but I think you've done a really great job at it—is to say, "Look, this is the shift in the way things are working. It's here and it's staying and it's growing," and I think everybody gets that. You want not just an allocation of money, albeit that's important; you want the Ministry of Health and, through funding, the Ministry of Finance to sit down and say, "We have a problem. Here's what it's going to cost. Let's do it, and let's do it in a way where we understand that, if we do that, we will commensurately reduce the incredible strain on the rest of the system." Am I being correct here?

Mr. Andrew Ward: You're absolutely right. That's exactly it. I mean, ultimately, investments in the right place will reduce the overall burden on the health care system, and community and supportive housing—support services—make a huge difference. Let's face it: Volunteers are cheaper than nurses and personal support workers, so it's where we need to focus.

Mr. Peter Shurman: Thank you, Andrew.

The Chair (Mr. Kevin Daniel Flynn): Time is just about up there. Thank you very much, Andrew.

MS. CATHY CHAUVIN

The Chair (Mr. Kevin Daniel Flynn): Our next delegation today is Cathy Chauvin. Cathy, did I pronounce that wrong or right?

Ms. Cathy Chauvin: You're correct.

The Chair (Mr. Kevin Daniel Flynn): Very good. Okay. If you'd take a seat and make yourself comfortable. You get 15 minutes to make your presentation any way you see fit. If you would leave some time at the end, that would be great. We've got your handout. If you would introduce yourself for Hansard somewhere in the early part of your presentation, that would be wonderful, too. The questioning, if there is any time for questions, will come from the NDP.

Ms. Cathy Chauvin: Thank you for allowing me to come today to present our case. I'm here representing our son, Joseph Chauvin, who is one of the many young people—specials-needs child, developmentally delayed, however you want to word it—becoming 18 and losing all his supports.

If I can just kind of summarize the first part, just about Joseph, the pictures at the front really show you our son. He's a joy. He is a wonderful young man who we're proud to call son, brother, grandson and friend. He'll soon be 18 and begin living his life officially as an adult citizen of this great province and country. Certainly, when he was born and through his younger years, he was not expected to see this, so we've had great accomplishments and milestones which we've celebrated.

I'm just going to summarize the background. More than a year ago, it became clear to us that to continue to support him at home the way he needed and wanted, he required more funding and support, because as he ages, he becomes more fragile. His needs were increasing and our family unit was changing. He's the youngest of four. My other three adult children are transitioning. They are in postsecondary education and they're beginning to leave the home, as is the norm. We're also finding our own energy depleting with age. My husband isn't thrilled when I say this, but it's reality: We're not getting any younger.

Not long after realizing this, we learned that the Special Services at Home program would no longer be available for adults starting April 1, 2013, so not very long off. So we thought about what we would do. We had hoped, originally, to ask for more funding because, truthfully, we didn't have enough funding. This really sent us

into a tailspin and honestly caused a lot of stress and anxiety. By the summer of 2012, in August, we had run out of special services at home. Every year it seemed we'd make them last less and less time.

We were told to call Help Link and ask for extra funding. Well, being stressed and overburdened, we just kept on trudging along as we always have and didn't think about it. We really didn't know what that meant. Help Link wasn't a lot of communication. By the time we got around to asking for it, we were told, "Well, oh, so sad; it's gone. There's no more for this year," which I understand with constraints. Not only that, but later we found out that at 17 years of age, the government has mandated that you can't even apply for it. So for that last year that you're under the Ministry of Children and Youth Services, you can't even apply for money for complex needs. That was quite disheartening.

So where are we today? Today, we've got one month and Joe will be 18. His supports will be completely cut off, and that includes the special services at home, which I've already spoken about. Also, any respite services that you get are done at 18 as well. So any services we had through respite—we knew that was coming. You prepare for that. But when you come across that you don't have the funding that you thought would always be there—it really threw us for a loop. So we began planning in a different direction, but I'll come back to that.

What I wanted to do—I know I'm kind of all over the place, and I'm sorry. But I want you to look at the picture and I want you to visualize, because if you don't visualize, you're not going to understand who Joe is. Imagine you're a teenager who's severely disabled, medically fragile, developmentally delayed and legally blind. You're in a chair. You're quadriplegic. You can't even lift your hand to scratch your nose. Yes, he moves, but there's no—like, you go right here to point to your nose, but Joe's hands just kind of go all over. He also has seizures several times a day.

I'm just going to describe a typical school day, because that was easiest to describe, for Joe. He's usually up between 5 and 5:30 in the morning. When he wakes up, we change his diaper; we reposition him; we give him a glass of water. Then I'm starting my routine for the day, all the things I have to get done to get him to the school. That includes getting him dressed totally, preparing his meds—I crush them and I give them through his G-tube—flush his feeding pump, get that all ready for school, get his school bag ready, get his lunch ready. You do everything. His oral intake is very minimal at all really. It wouldn't give him nutrition or calories, so we give everything through the feeding pump, for the feeding tube into the stomach.

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During the school year, he is picked up by the bus and taken to L'Essor high school. He has a worker with him on the bus at all times, and that is something we really had to fight for. With the amount of seizures he has, we've almost lost him several times, so there has to be someone there on the bus with him. He participates in his

specialized program at school, which includes physiotherapy exercises twice a day. He has to have rest periods. He has reading, and other crafts and art opportunities. A full-time specially trained aide is with him one-on-one the entire day. He also has a nurse come in to do his G-tube feeds throughout the day. He also goes to woodworking, music and sports activities. Joe is very sociable and very involved, with assistance.

When he returns home from school by the bus, with his worker, either a nurse or a nursing student is there to get him off the bus. For the next three hours they assist Joe with his bath, going for a walk, engaging in activities, a snack, administering medications; they're doing everything for him one-on-one. This support is paid for from a few sources and includes emergency transition fiscal funding that we've received from a children's agency twice now so far this year. We ran out of our SSAH, like I said, way back—I think it was August.

We both work full-time, having three other children to support, as well as other equipment and things that aren't covered or that we don't have assistance for, so we both have to work full-time. When we return from work we take over for the remainder of the day and night. Nobody else is there; it's just the family, and that's my husband and I doing this role. This includes administering his meds—all of which he gets through the G-tube—changing his diapers, repositioning him, doing his physio and setting up and initiating his nighttime feed. These feeds run throughout the night; it's usually about eight hours. One of us sleeps—I say "sleeps" loosely—in the La-Z-Boy chair beside his bed all night long. We alternate, seven days a week.

During the night—like I said, with the feed going through, because he's so unstable—he has to be repositioned. He's very tiny; he's like 65 pounds. His skin condition right now is in very good shape because we're meticulous. He may also have a seizure or get sick in his bed, so someone always has to be there. I do want to note that he's only had one admission to a hospital in the last five years that wasn't a surgery; we are doing our part to keep the costs down across the board.

Originally, our plans for Joe—because we know he can stay in school until he's 21, we sat down with the family and with the caregivers who work with him. We made goals and goal statements; we had everything all started out for Joe's journey, starting in 2016 when he's done school. If I get weepy, I'm sorry. Anyway, we looked at what he liked to do, and he enjoys being around children. He loves listening to them talk and laugh, so we were looking at a volunteer role at his old elementary school in Stoney Point. He comes from a French-speaking community and he loves going to the school, so we were going to create a role with an assistant, with a volunteer. We'd actually started that process, talking to the school and school board. I might add, the French Catholic school board is amazing. They listen and they do as much as they can.

Another interest of Joe's is being outdoors and planting flowers or vegetables, so we thought, "Let's

look at how we can get him a greenhouse, get him growing flowers and selling them locally.” Again, we know the area. We know everybody. We’ve talked to the Country Depot; we’ve talked to different people to see where he could, with his aide, sell these flowers. The money was just—we looked at it, and the plan was for him to give back to various charities in the area, again, just continuing his role in the community that knows and loves him, getting him out there and giving back something, because that’s who Joe is. He knows when you’ve had a bad day and, seriously, he smiles, he laughs, he talks to you; he does whatever he can to help you in the way that he can.

He also loves music, and we’ve already talked with our choir director about having Joe come to practices at our church and gradually introducing him into the choir and allowing him to participate. In the last two years at school, he actually—I’m going to cry—started singing. His singing isn’t what we do; he can’t verbalize. He starts going “Ah, ah,” and it’s monotone, but it’s the entire song. There’s a delayed reaction, and then the music will stop. It’s hilarious at church, because even the priest laughs. He’ll start trying to do a prayer and my son is still singing on the side. But that’s Joe. We just treasure everything that he can do.

These were our goals: the transition out of school and into the French-Canadian community he grew up in. We believed he wanted to live at home—he’s very much family-oriented and he’s got friends in the area—just to leave him in his home, with this community that he’s attached to and is an important part of. We envisioned Joe having assistance with planning his life and being able to apply for additional funds and supports. However, for this to be implemented, we knew we had to have a full-time worker with him. Every activity is hand-over-hand assistance and direction from another person.

The supports that we had always expected to be there—that would be your Special Services at Home and, later, Passport, for more community participation—would have enabled us to do this. We thought that was there. Now, our hopes are pretty much stamped on and we know that has changed, so our plan has changed.

Like I said, he already loses all of his respite as well. At 18, he loses everything. In addition, Passport funding is not available until you’re 21 years of age. Even if that guideline was to change to 18, since it started, there’s like a seven-year waiting list. The families I talked to are still on the waiting list and their kids are almost 30. So, I don’t have a lot of hope, and that’s my reason, basically—that there are wait-lists everywhere.

We need to be able to count on both Special Services at Home and Passport funding to make this life work for Joe. We as a family have had to make very tough decisions, and we’ve been doing months of lobbying, advocating for Joe at a provincial level. I’m sure my name is known because I haven’t left any stone unturned. Taras can attest to that. I have gone after everybody—in a professional and polite way—telling our story and getting it out there.

We have an online petition that’s going to be closed soon. It’s over 700 signatures. We’ve been interviewed by multiple newspapers provincially, and television stations, both in French and English, and have been involved in a local rally. We also went to the Ombudsman because we were instructed that, “You know what? They’re looking into the Ministry of Community and Social Services. Present your case.” So we did that to investigate our situation and the Special Services at Home.

However, we have not been successful to date for Joe to receive anything. So my husband—we’ve sat down; he’s going to quit his job come May 1 to provide care for Joe in the spring. In three years, when his school is done, I’m probably looking at quitting my job as well. We’re not sure how we’re going to do this. We’re still working that part out. Therefore, our goals for Joe’s future will be drastically adjusted and reduced.

My thing here is that we’re just imploring you to invest in direct funding options—yes, Special Services at Home, yes, Passport, and other types—because we want individualized home support funding for Joe. We want an individualized plan that we can address.

Truthfully, it’s fiscally responsible; parents are very frugal and very cost-effective when it comes to the things they spend their money on for their children. We go through everything. We put in our own money. We don’t sit there and just expect everybody to hand money to us. But we implore you to review the changes made to cut the teenagers off. His lifelong disability doesn’t stop at 18. When he’s 18 years old, he’s still going to be complex care—instead of being a complex-care child, he’s going to be a complex-care adult.

So, he’s in the system. We’ve kept him out of the hospitals. We saved hundreds of thousands of dollars over 18 years. Working in health care, I can attest to that. Through our diligence, we’ve saved money and this is our reward. I don’t feel it’s appropriate. That’s my sidebar.

It’s more beneficial for Joe—and, like I said, cost-effective—to keep them in their communities and their homes, because people help us. They support him; they volunteer to do things with him. It’s saving money.

So, I’d just ask that you consider what I’ve said and look at the beautiful picture of him at the front. He has changed many lives and affected so many people, and he doesn’t deserve to have the right to be supported in his home taken away from him.

The Chair (Mr. Kevin Daniel Flynn): Thank you—

Ms. Cathy Chauvin: Sorry, did I take the whole time?

The Chair (Mr. Kevin Daniel Flynn): No, you did a very good job of time management. You’ve left just over two minutes for—Taras, I’m assuming this will be you.

Mr. Taras Natyshak: Cathy, thank you so much. Joe is beautiful; look at him. He’s a good-looking guy.

Ms. Cathy Chauvin: Yes, that too, but he’s a joy.

Mr. Taras Natyshak: We are in the province of Ontario, in the country of Canada, one of the richest nations on the planet, and we, at this very moment in the history

of this province, are unable to take care of the most vulnerable and the most marginalized? Yet, let's be certain that the budget that was presented, that made these cuts, is not regarded by some as austere enough, okay? Where do we find the money? There are lots of sources for revenue and lots of ways we can help Joe, the Chauvins and the other Chauvins around this province. It's absolutely inexcusable that this scenario would happen.

My brother is a quadriplegic, was injured five years ago—maybe six, actually—in Nelson, British Columbia. He receives a yearly fund where he can direct his own service. He's productive, he works, but he has someone come in, help him do his catheter, help him change, and then he goes along his day and actually works and is a physical trainer. That's good investment; that's good social policy. That's being a human and being compassionate.

But yet, a government that is digging for more pennies on the backs of the most marginalized in this country, in this province, is unacceptable. I get so, so frustrated that we need more cuts, that we're looking for more cuts. I'll tell you, Joe does not deserve a cut. Joe deserves absolutely everything that we can offer, and we can certainly do more. Those are my comments.

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The Chair (Mr. Kevin Daniel Flynn): Thank you, Taras. Thank you, Cathy, for coming today. I'm sure that everybody heard your message very, very clearly.

Ms. Cathy Chauvin: And we'll just continue. Like I said, people will get sick of me, and that's fine.

Mr. Taras Natyshak: They're not getting sick of you.

Ms. Cathy Chauvin: Thank you.

WORKFORCE WINDSOR/ESSEX

The Chair (Mr. Kevin Daniel Flynn): Okay, our next delegation is from Workforce Windsor/Essex: Donna Marentette and somebody else. If you would introduce your colleague, that would be great.

Ms. Donna Marentette: Yes, I'd be pleased to.

The Chair (Mr. Kevin Daniel Flynn): Everybody gets 15 minutes.

Ms. Donna Marentette: Sure.

The Chair (Mr. Kevin Daniel Flynn): Use that any way you see fit. The questions this time will come from the government side, and I'll let you know when you've got about two minutes left. If you would introduce yourself as well for Hansard, that would be great.

Ms. Donna Marentette: I'm happy to. My name is Donna Marentette. I'm the executive director of Workforce Windsor/Essex. With me is my colleague Tanya Antoniwi. Tanya is our director of project management.

I'm here today to, first of all, ask you to continue to value your local board program. I've passed around a little brochure, a little handout that we have. You may know that Ontario is divided into 25 areas, most of which have similar boards to Workforce Windsor/Essex. We do workforce planning and development. For anyone who's not absolutely sure what that is, basically we work to

ensure that the workforce has the training needed to take the jobs. So in each of your home ridings, there's a workforce development board hard at work connecting with local industry.

Tanya was the author last year of our Promising Sectors and Occupations report. How we do our reports is we start by looking at the data. What does Statistics Canada say about our economic sectors? What does Statistics Canada and other statistical information say about our workforce? Then we take that information out and we interview our local employers. In this case, Tanya spoke with 60 employers in the different sectors that are important to the economy in Windsor and Essex county—agri-business sector, manufacturing sector, construction sector.

We're so grateful to have the construction occurring on our Windsor-Essex Parkway and eventually our bridge.

So we're connecting with your local employers, finding out what they see are the jobs of the future. Then it's our job to make sure the community knows that information. We publish publications; we go on media. We've even been featured on a billboard, which was a high occasion for us. Then we also do a yearly labour market update. So in each of your home ridings, a workforce planning board is getting ready to issue their annual labour market update. This is really important information for you.

I had the pleasure of meeting with Mr. Natyshak and providing him with the information last year, and I think each of you would find this really important information, to understand your constituency, to understand what is happening with the workforce.

We have some issues in Windsor-Essex. One of our issues is that we're losing population, and I know that's the case in other sectors. Peterborough is one that I'm aware of, where there's an outflux of people because people are going elsewhere for opportunities.

We have the information that you need, on which to base your understanding of your area, and this is also very important to the business community. They're very anxious to hear the information about what is happening in our region with our economy, what's happening in our region with our workforce.

As part of how we do our work of getting the information out and making sure we have a trained workforce, we work with collaboratives. You had a presentation before, from Pathway to Potential. We're very involved in their work to ensure that we do whatever we can to bring along the workforce that currently is finding themselves in poverty but hopefully will become more productive members of society.

Government took a step last year with the social assistance review, and that was a very important step because we are well aware that the current income security system acts as a barrier to people moving on to paid and productive employment. So we're really looking ahead to changes that will make that system better for the

clients so that there's not a clawback of their income if they take the initiative to go out and get a part-time job.

We also are very involved with newcomers in our community. We worked with five other local boards to publish *Winning Strategies for Immigrant Entrepreneurs*. The Wise 5—Brantford was one of the other areas; Elgin-Middlesex-Oxford, Niagara, Wellington and Waterloo. Those are some of the boards that worked with us to understand what communities need to do in order to make newcomer entrepreneurs successful. And we work with our local immigration partnership council, funded through Citizenship and Immigration Canada, looking at: What do communities need to do to make the most of the internationally trained workforce that Canada and Ontario have attracted but that we are not making the most of? We all hear about doctors driving taxis. Unfortunately, it's not just an urban legend; it's the truth.

Also, in Windsor-Essex, we're very proud of the fact that we have a WE Prosper collaborative—Waterloo region also has one of these—basically looking at what the issues are right now in our community that are holding us back from achieving economic prosperity, and how we can bring together, around one table, the community members who will help to solve those issues and take steps.

Tanya is the head of the available skilled trades task force, which brings industry, education and other community stakeholders to the table to talk about how we are going to address the skills gap that we currently have. We will be releasing in the near future a survey that was done of manufacturers in our region that shows an appalling loss of income and loss of prosperity that's occurring because we don't have the skilled workforce.

All of which brings me to my main point, which is to say: Please continue to fund education. In Windsor-Essex, besides our out-migration, we are above the provincial average in workforce that stopped after high school graduation—people who didn't go on to college, didn't go on to any kind of post-secondary education. Why not? Because they could get a good job on the line. But unfortunately, those days are done. Instead of being a person who's going to put a bolt through a nut to attach a door to a frame, you're going to be designing, building, programming, operating or repairing and maintaining a robot. So, in Windsor-Essex, our workforce has to up its game. We've got to up our game. High school graduation is not going to be enough for the skills that are needed in the future.

Dr. Rick Miner, who has written the report *People Without Jobs, Jobs Without People*, has stated that the knowledge economy requires a more educated workforce. So we are counting on you, as the decision-makers for the people of Ontario, to keep that message in mind. You did a great job last year in terms of no cuts to education. You've got to keep that up; not to say the system can't be improved, not to say the system can't be fine-tuned, but promoting apprenticeship, college, university education and lifelong learning, early literacy—

those are going to be extremely important to the future of our province.

Those are my comments.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Donna. We've got quite a bit of time left for questions. It goes to the government side. We'll start with Soo, then Dipika.

Ms. Soo Wong: Thank you very much for your presentation. I listened attentively to your presentation. I just have a comment, then I'm going to ask a question.

You know that the federal government is looking at cutting the funding for training and supporting Ontarians in terms of skill development. So my question to you is: Which jurisdiction, provincially or federally or locally, is the best level of government to do this kind of skill development training that you could provide because you're on the front line?

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Ms. Donna Marentette: One of the things that I eschew—and I love using that word—is either/or thinking. This can't be either/or. Windsor-Essex has a huge, huge investment in making sure that the skills gap is successfully bridged—so does Ontario, so does Canada.

Of course, the Honourable Diane Finley has been in Windsor more than once. We've had the opportunity to sit with her and to chat with her. She's well aware of the skills gap that we have and issues around manufacturing. That's not just in Windsor and Essex county. I know that throughout Ontario, wherever manufacturing is occurring, people are finding it very difficult to find the skilled trades that they need in order to ramp up their business. I mean, machines are sitting idle, contracts are being turned down, people are paying penalties because they can't get the work done on time. It makes sense. I mean, in the downturn, that happened.

But I would say that every level of government has a vested interest in ensuring that this problem is solved. It would be really great to have a national job strategy. Ontario needs one, and the *Advantage Ontario* report is a pretty good start in terms of a guideline toward which the government can work. I think some aspects of it are already being implemented.

The Ministry of Education is just in the midst of changing their careers protocol. That's a great step forward. We were very impressed with what is happening, and I think that the other members of the opposition would also see real progress in that taking a kindergarten—and we do this, too. We say we take a birth-to-post-retirement approach to workforce development because what are the books that little children are reading? Is it talking about the greenhouses? Is it talking about manufacturing and how much fun it is to design a robot or whatever? Right up to post-retirement, we talk about greypreneurs, right? So I think that all levels of government really have to work together.

We talk about collaboration. The Premier talks about conversations. Let's get that conversation going, and let's do the actions that will have an impact.

Ms. Dipika Damerla: I just want to thank you so much. Some of the things you talked about are very close to my heart, and you're absolutely right about the education fees going past grade 10, investment in early education—these are some things we are really proud of. I think we've put it out there that we'll balance the budget but without sacrificing the gains we've made, particularly in education. So we've got you on that.

I was very curious about the skills gap analysis for Windsor, because I thought I heard you say you've done that as part of your report. I just wanted to know—and you hinted at it; it's the machining trades. I just wanted to know the extent of it, because I read the report as well—People Without Jobs, Jobs Without People—and I'm always surprised why that is the case. I just wanted to get your sense.

Ms. Donna Marentette: It's partly the case because when the downturn started in 2007-08, who were the first to go? The apprentices, the interns. It was the people with the high seniority and the most knowledge that the companies had to keep in order to keep operating. So then the whole industry started to get—and you can understand this—kind of a black eye from the point of view of parents who were themselves in that industry saying, "Oh, don't you think about being a mould, tool and die maker because look at what has happened. People are leaving that industry." I mean, the whole Second Career approach was all about taking people who were shed from manufacturing—24,000 people—and turning them into something else: PSW, hospitality, whatever. To the credit of—I mean, those people were pretty desperate, right?

So Tanya can say she has been working in real detail with the manufacturing industry. In fact, this morning the Premier had a meeting with some of the captains of industry, and we were very thrilled to be invited to attend. Basically they were saying, "We can't solve this on our own." The Valiant Corp., which is a multinational corporation, has their Earn While You Learn program, which is very innovative and to their credit, but they can't solve it on their own. They're at the point where they don't need more people for their own business, so who's going to pick that up and run with it?

Now we're hoping to pull together some people to do some innovative things in Windsor-Essex that could start to address that. But really it's a matter of the timing of it and the numbers of people who had to leave the industry. And really, this is a worldwide issue. This is not only in Windsor-Essex, Ontario; it's a worldwide issue. The shipbuilding contracts in Victoria and Halifax are in doubt because they can't get the skilled workers. We all know the extent that the prairies and Alberta are going to try to attract our workers to go out there. So it's a worldwide issue, and it's going to take a concerted effort on the part of all the stakeholders to address it successfully.

The other thing I say is, I have a message that I'm starting to give to the young people in Windsor-Essex: You've got to up your game, folks. You've got to up

your game. You've got to be good at math. We know Mike Ouellette, who is the principal at Earn While You Learn. He said they were working with some young people, and one of the kids said, "Oh, so math really does matter?" And he said, "Yeah, math matters, right?" So it's multifaceted.

The Chair (Mr. Kevin Daniel Flynn): Time for one short one. We've got about 40 seconds.

Ms. Dipika Damerla: Anybody else?

Mr. Mike Colle: What if you aren't good in math and you don't have mathematical aptitude? What do you do?

Ms. Donna Marentette: You know what? What if you're not good at reading? Guess what? Everybody can do the sort of math that's required. We're not talking a PhD in trigonometry here. We're talking about shop math, which is understanding angles, understanding volume. Can you balance your chequebook? You can do the kind of math they need.

You know what else about math? Math is just like reading. What is reading? You break it down into—I want to say pheromones, but no. You break it down.

Ms. Dipika Damerla: Syllables.

Ms. Donna Marentette: You start with "cat," "at" and "bat," and you build up. So is math—

Ms. Dipika Damerla: It's another language.

Ms. Donna Marentette: We learn a math phobia. We have to overcome that.

Mr. Mike Colle: Well, I've tried to do my granddaughter's grade 3 math and I can't get it done.

Ms. Donna Marentette: Good for her.

Interjections.

The Chair (Mr. Kevin Daniel Flynn): Thank you.

Ms. Donna Marentette: You're welcome.

The Chair (Mr. Kevin Daniel Flynn): You've stimulated a discussion already here.

ASSOCIATION OF NON-PROFIT CHILD CARE PROVIDERS IN WINDSOR-ESSEX COUNTY

The Chair (Mr. Kevin Daniel Flynn): Okay. Our last delegation of the day is the Association of Non-Profit Child Care Providers in Windsor-Essex. I'm assuming it's the people at the back. We've got Faith, Barb and Cheryl. If you'd come forward and introduce your fourth member. Make yourselves comfortable.

It's especially important, if you're all going to speak, that you introduce yourselves, because the people who are doing the recording won't know which one of you it is. So are you doing all the speaking, pretty much?

Ms. Cheryl Sprague: Yes.

The Chair (Mr. Kevin Daniel Flynn): Good. Okay. You've got 15 minutes, the same as everybody else. Use that any way you see fit. If you'd leave some time at the end for questions, that would be great. The questions this time will be from the Conservative Party.

Ms. Cheryl Sprague: Good afternoon. My name is Cheryl Sprague. A few of my colleagues who are executive directors of child care centres in the community are

with me today. I have Faith Hale, who's the executive director of Ska:na Family Learning Centre; Barb McConnell, who is executive director of Great Beginnings; and Sue Lalonde, who is the executive director of Franco-Sol.

I am the executive director of Delta Chi Early Childhood Centres. We operate five centres in the city of Windsor. We have been providing high-quality child care for over 26 years, and thousands of children and families have gone through our centres.

Delta Chi has been a very healthy, viable business, but I and the several colleagues I represent today, who have formed the Association of Non-Profit Child Care Providers in Windsor-Essex County, are now extremely concerned about the future of child care in Ontario.

You had an economist, Don Drummond, a year ago recommend that the government stop the implementation of full-day kindergarten. The Premier, for whatever reason, decided to move forward with spending money you do not have. Even with the additional teachers created by the full-day JK/SK program, you have labour unrest in your education system, as you have had to implement a salary freeze. This makes no sense to us. Child care would have been a better investment.

1510

The current plan of incorporating four- and five-year-old children into the full-day school system was done without any forethought of the remainder of the children needing child care in our province. Child care centres are not viable without four- and five-year-olds in their programs, and parents with one-, two- and three-year-olds cannot function without child care centres. Many child care centres are closing, and the availability of day care is getting scarcer and will continue to do so. In short, the plan has made a mess of child care in Ontario.

With the incredible deficit in Ontario, it seems foolhardy to be adding to this deficit with a program that leaves so many families stranded. We do not want you to go forward with full-day kindergarten. It has already destabilized the child care sector in Ontario. If you continue to move forward this September, when 50% of all schools will have full-day kindergarten, our child care system will collapse.

Ontario cannot afford this. It is adding billions to the already \$12-billion deficit and it is bankrupting a necessary industry that is needed by families in Ontario.

It is clear that inequity has always existed between child care providers and school boards, while both are funded using provincial dollars. This inequity is unacceptable. It is time for change in how care is funded now that the responsibility for early learning and child care is under the authority of the Ministry of Education.

Child care workers are paid very differently than teachers and their registered early childhood educator counterparts under the same ministry. In many cases, they are working with the same group of children in the same classroom environment. How can this continue when it is evident that there is a steady exodus of early

childhood educators leaving child care for full-day kindergarten?

We currently are struggling to find registered early childhood educators to meet our basic licensing requirements. The city of Windsor needs \$6 million just to increase salaries that will still be below the school board's, and on top of that, the city of Windsor did not get an increase to help but rather got a decrease in funding allocation of approximately \$1 million. This is clearly not a level playing field.

The Ministry of Education talks about the revolutionary teaching program that these four- and five-year-olds are engaged in. This program simply mirrors the system that child care operators have been teaching for decades. It's called play-based learning.

To date, there is no research that demonstrates that children who attend full-day kindergarten in schools are doing any better as compared to when they were attending high-quality child care.

There are horror stories of parents in Toronto driving half an hour in one direction to get care for their one-year-old and then half an hour in another direction to get care for their two-year-old because their neighbourhood daycare is now closed. And those are the families lucky enough to even find licensed care. Twenty-one thousand children are currently on a waiting list in Toronto alone. We are forcing thousands of families to choose informal care. This is completely unacceptable.

Our province has a \$12-billion deficit. You cannot afford to implement full-day JK/SK. You have a child care industry that has successfully provided quality licensed care for children and families for several decades. It makes absolutely no sense to continue to invest in this program.

You have choices to make. Make the smart, fiscally responsible choice. Choose to invest in the child care system so that children receive high-quality learning and parents continue to have a choice.

Thank you very much.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Cheryl. You've left a lot of time for questions.

Who's kicking it off? Go ahead, Monte.

Mr. Monte McNaughton: I actually don't have a lot of questions. I agree with a lot of the things that you do say here. We've been on the record many times as a party saying that the debt in the province of Ontario in 2003 was somewhere in the \$125-billion range, and a report came out two weeks ago saying that in fiscal year 2019-20, the debt in the province is going to be \$550 billion.

We do see the government ignoring and shelving a lot of the Don Drummond report. I think it takes conviction and bold leadership to say that you are going to implement the Drummond report and a lot of the things that Don Drummond called for.

I really don't have any questions for you myself. I just want to say that I do agree with a lot of the things that you've said, and thank you for your presentation.

Peter?

Mr. Peter Shurman: I've got a couple.

I'd like to continue the conversation, because I consider what you brought us to be the opening salvo of a conversation. You stated your case, and I think you stated it well, and my colleague talked about where our party is coming from. Our position has been that we are not against full-day kindergarten per se. We don't think it's a terrible thing. We think early childhood education seems to make sense. We happen to have taken the position before Don Drummond did—and we still do—that you can't spend money you don't have. Now you've added to that equation, and this is where I'm looking for the amplification.

Where you've added is you have said that not only can we not afford it, per the Drummond report, but you're really—I almost used a bad word there. You're really messing up a system that had its roots in a pretty well-grounded, well rolled out, province-wide—maybe not uniform—opportunity for parents who had children under five and wanted them cared for during the day.

Explain the difference between that and what you, at a proper level—not the sort of underground level—are providing to children that you think deserves to be maintained.

Ms. Cheryl Sprague: I'm going to let Faith take that.

Ms. Faith Hale: First of all, I'm an aboriginal operator in this city, which is very rare in a lot of our cities and urban areas. Because of culture and language and the retention, we see the benefit to our families and children, and other families and children who utilize our child care centre as well.

Also, what we're seeing is that children with special needs are falling through the cracks. They're not getting the services that they get in the child care industry, and I mean the individual child. We know this because child care is receiving children now that aren't ready for JK/SK, which makes no sense to me, because if we're going to implement a school that's JK/SK, children should go regardless of what is happening in their lives.

We operate across the street from a school, in very close proximity. We've done it for a number of years. Again, as I said, we're an aboriginal school, but we've benefited this school as well. We're in that school with our JK/SK program. It's a half-day program—well, it's full-day this year. But I think for the most part we have done that fluidly. It's seamless for our families.

When I look at the northern communities, I still see a disparity within our population. We're not able to meet all of the needs within schools. When children are bused sometimes an hour and a half—in the city of Windsor not as much, but I see parents having difficulty getting from one side of the city to their child care centre and taking other children to the JK/SK, because we are not allowed to have what they call open borders in the schools. Once you have full-day kindergarten, if you're in that neighbourhood, your child has to go there. If a parent lives on the east side and works on the west side or central, they are putting a child in their school where they work or where they live, they're driving their child to a child care

centre which could be in the other part or in the middle of the city, and it's just not matching. It's a mess.

Mr. Peter Shurman: You're kind of describing a mix-and-match that isn't mixed and matched properly. You've got some stuff well rolled out in FK/SK and other stuff that works better at the child care level.

I'm trying to draw a conclusion, so help me. Maybe I'm looking to draw a conclusion like—the government might tell me when we have FK/SK fully rolled out and everybody can avail themselves of it, we won't need the child care industry anymore, maybe. I'm not putting words in anybody's mouth here.

Ms. Faith Hale: With Schools First policy.

Mr. Peter Shurman: Would that be accurate?

Ms. Faith Hale: Oh, yes. It's Schools First policy. That's what we're talking about.

Ms. Cheryl Sprague: But you will need the child care.

Mr. Peter Shurman: Okay. Then explain for me—

Ms. Cheryl Sprague: Who is going to take care of infants, toddlers and preschoolers?

Mr. Peter Shurman: All right. Explain to me where the child care stops and where you see it stopping. Give me ages and some parameters.

Ms. Cheryl Sprague: Well, right now, it's starting with newborns and going up to 3.8 years old, and now the four- and five-year-olds are going over into the school system. Some of our schools still have before- and after-school care for school-aged children, so that would be six to 12 years old.

Mr. Peter Shurman: So in a perfect world that would work seamlessly, and where we have money to do it, it might just be fine, but right now what you're saying is that you're being starved at the expense of the full-day rollout.

Ms. Cheryl Sprague: Yes, absolutely. We're collapsing across the province.

Ms. Faith Hale: I mean, we have other issues too. The school day, in some cases, ends by 3:30. Parents are working until 5. If we don't exist, what happens? The school's not staying open until 5. It's not happening. Child care providers are going in and we're providing that child care as well, but to a younger age, and again, at a lower cost to society at this point. But it's going to get larger.

Mr. Peter Shurman: Then the conclusion that you force me to draw is: Pick the one you want or find the money for both, but don't put us through this. That's what you're saying.

Ms. Cheryl Sprague: Exactly. Well, we're not going to be here.

Mr. Peter Shurman: When I say "us," I'm talking about all of us, because this is societal.

Ms. Cheryl Sprague: Of course. You have to think about, too, that the Liberal government is spending about \$1.5 billion annually to implement full-day JK kindergarten; \$1.5 billion for four- and five-year-old children in our province. When you think about it in terms of a taxpayer, I bet there are a lot of taxpayers that would not

support that. Our answer to you is to stop full-day kindergarten. We provide excellent-quality care—we have, for decades and decades in our province—and we want to continue to do that.

Mr. Peter Shurman: Jane?

Mrs. Jane McKenna: When Dalton decided to do this, no one asked him what the cost was going to be. It was rah-rah; everybody thought it was exciting. It was going to be great. But even when Don Drummond came out to say that we wouldn't—like, zero-zero; there isn't any money. Now, again, we're throwing band-aids out at things because there isn't anything that's going to be implemented properly. At the end, it will be at the expense of our kids and parents, because everybody will be running around like chickens with their heads cut off.

So, sadly, here's another program that's going out that was a feel-good for people, when people didn't know what it was going to cost. Now that we do—I can speak for us over at this end. We're called constantly with how things can't be implemented. There isn't the monies to add on to the schools that need the schools, that need to be done. Now parents are shipping their kids in another direction, another place, because they want their kids to have it. This is an absolute travesty at the expense of our

hard-earning taxpayers, because there's absolutely no way you can facilitate it, the way it has been presented to everybody.

Ms. Cheryl Sprague: I'm sure—I shouldn't say I'm sure, but perhaps the past Premier had good intentions. But there was no forethought for all the rest of the children and families. How was this going to be implemented? As I said in my presentation, it's an absolute mess. In Windsor-Essex county alone, I think we've now closed 13 child care centres, some that have been open for 20 or 25 years. Our CAW licensed child care centre, a really big school, closed. It's just a tragedy. We have parents that are just struggling. They want choices for their children, and they should have choices.

Mrs. Jane McKenna: Yes, you're right.

The Chair (Mr. Kevin Daniel Flynn): Thank you very much for coming today. We appreciate it.

Okay, ladies and gentlemen. That's the end of the meeting today. We've heard from all the delegations. We're adjourning to Timmins. The bus is leaving very shortly.

The committee adjourned at 1522.

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Second Session, 40th Parliament

Official Report of Debates (Hansard)

Tuesday 12 March 2013

**Standing Committee on
Finance and Economic Affairs**

Pre-budget consultations

**Assemblée législative
de l'Ontario**

Deuxième session, 40^e législature

Journal des débats (Hansard)

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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRSCOMITÉ PERMANENT DES FINANCES
ET DES AFFAIRES ÉCONOMIQUES

Tuesday 12 March 2013

Mardi 12 mars 2013

The committee met at 0905 in the Cedar Meadows Resort, Timmins.

PRE-BUDGET CONSULTATIONS
FEDERATION OF NORTHERN ONTARIO
MUNICIPALITIES

The Chair (Mr. Kevin Daniel Flynn): Alan, are you with us?

Mr. Alan Spacek: Yes, I am.

The Chair (Mr. Kevin Daniel Flynn): Wonderful. Did you get your thoughts collected yet?

Mr. Alan Spacek: I think I'll be okay.

The Chair (Mr. Kevin Daniel Flynn): Okay. Every delegation is getting 15 minutes. You can use that any way you like. You can leave some time at the end for questions if you desire. The first round of questioning this morning, if there is time, will go to the official opposition, the Conservatives. I'm going to start the clock, and the time's all yours, Alan.

Mr. Alan Spacek: All right. Thank you. Well, good morning, everyone, and my apologies for not being able to make it there, but it's one of the realities, obviously, of northern Ontario that we have extreme weather and often have highway closures on the Trans-Canada Highway, as was the case today.

Not having the presentation right in front of me, I think I've got a pretty good grasp of the message that I wanted to send today. It really boils down to one underlying issue which spreads across all the areas that affect northern Ontario and northern municipalities, and that is the lack of consultation for northerners on policy and legislation that affects them dramatically. Budget process, I guess, would be a good example.

We've had many examples of major policy and legislation changes that have had a dramatic negative impact on northern Ontario, and, quite frankly, we've heard about them on the evening news. It certainly isn't a good way to conduct the affairs of government. We've got a large geographic area here, and we have much to contribute to the province in terms of economic benefit. So, again, I cannot emphasize enough the need for proper consultation and input from northerners, and I congratulate you on this step here. Although I think it's a routine process with government, I would encourage more of this to get input from northerners.

Also, some of those decisions that have had a substantial negative impact economically and on the social fabric

of northern Ontario have been decisions like the divestiture of Ontario Northland. That's a very important asset for northern Ontario, not only from a social standpoint, but from an economic development one. All of our major industrial players in northern Ontario—the Xstratas, Tembecs, Resolute Forest Products etc.—rely on this piece of transportation infrastructure, and it has caused a substantial amount of uncertainty in this industry as a result of this government's decision to go ahead with divestiture. We're approaching the one-year anniversary of that announcement—I believe it was March 26—and we still have no clear path or direction on where we're going, what it's going to cost and what the savings would or could be for the Ontario government. It has dramatically affected the day-to-day operations of our major industry. They have made changes in their business plans because of this decision—they've told us that—and they still don't have a comfort level with what's going on.

Since this is driven by fiscal restraint, or budget, if you will, we use that as an example of a very graphic case of a very negative impact on northern Ontario.

More to the municipal side now, because I do represent the Federation of Northern Ontario Municipalities, we are an organization of 114 municipalities starting at Parry Sound-Muskoka and coming north to North Bay, Sudbury, Sault Ste. Marie, and all points north. We do not cover northwestern Ontario; our sister organization, NOMA, does that.

One issue that has been front and centre for us is lack of consistent support for municipal infrastructure. We have certainly a sparse population density; we don't have the tax base that many municipalities enjoy in southern Ontario. It's been identified many times through our discussions with government and stakeholders that we have quite a different set of fiscal challenges as municipalities. As such, you probably know that 66% of municipal revenue that we get comes right from our ratepayers. The rest comes from the province and the federal government. Yet on every tax dollar that government collects, municipalities only get 9%. The province collects 44 cents and the feds collect 47, so we are left with mere pennies on every tax dollar collected to service our residents with front-line services.

0910

We have established a position, as the Federation of Northern Ontario Municipalities, by asking the provincial government to increase the amount of funding on a per-

household basis to communities through the northern community grant. We are asking for an increase of \$75 per household. That amounts to about \$25 million a year for all of northeast and northwestern Ontario; we have a little over 300,000 households.

We've done the math on that; we've done our homework on that. That would go a substantial way to supporting the decline in infrastructure and our declining tax base that we have in northern Ontario. I dare say that that \$25 million a year would be extremely well spent by the province and that you'd probably see less demand on yourselves on a case-by-case basis as these infrastructure emergencies seem to arise, whether it's water, sewer collapses or other situations that municipalities are dealing with. That is one specific ask I'd like to get on the record again, and that is an ask we have made to the provincial government, I believe, for about three years running now.

In terms of provincial funding again, the Connecting Link program was formally closed off by Minister Chiarelli, I believe within the last month. That's a big concern to us, for the same reason I just mentioned to you, with our declining tax base. Many municipalities have major highways. On the Highway 11 corridor, the Trans-Canada Highway goes through our municipalities, and we're responsible for 100% of the maintenance on those pieces of highway. Timmins is no different; they're certainly affected by this Connecting Link program.

The government made an agreement with us. They said, "You'll be responsible for the maintenance on these, and we will help you with the capital side of it, to the tune of 90-cent dollars." Now the program has been cancelled, so the government, in effect, has walked away from their end of the bargain. That is, there is no more Connecting Link program to fund the capital for these highways.

I can tell you, if you look out your window right now in Timmins, there's quite a storm going on out there. Yesterday in Kapuskasing, in that storm, we were patching our Trans-Canada Highway to make it passable. It's certainly no news to the regional ministry office that it's one step away from being turned into gravel; it's in such bad shape. For six or seven years running, we've been told that there simply aren't the funds to maintain that part of the Trans-Canada Highway. All kinds of money for northern highways—the government will tell you they're spending hundreds of millions of dollars on the Northern Highways Program, and they are, except that they stop as they get to your municipal boundary and pick up on the other side of you, even though it's a highway.

It's another example, really, of a program that has quite a dramatic effect in northern Ontario, and we're just not sure that you realize that, at the epicentre of the province, if you will, which is Toronto.

Another item that we have, which is a new one, is payments in lieu, and loss of tax revenue for municipalities in two ways. MNR, the Ministry of Natural Resources, and MPAC are coming to some sort of agreement where provincial parks are in municipalities. They have adopted

a position that since they'll never be turned over to the public sector, they really shouldn't be assessed the same way as private lands. Thus, they're going to pay much less tax on them, and yet they're within many municipalities in northern Ontario.

I know that this provincial government has been sure to tell us to make sure municipalities raise taxes to keep up with increasing costs, and here's the province saying that they're going to decrease their costs by not paying their fair share of municipal taxes where these parks are within municipalities. I believe that in Killarney, Ontario, near Manitoulin Island, that represents about 46% of their municipal tax base—again, another major decision that's going to have a serious impact.

The other one is, I believe, a three-year moratorium that the province has put on giving an increase in the grants in lieu where there are power dams located within municipalities. For some reason, it's going to take them three years to review this, and they've announced that they will freeze increases that were promised previously under this program. Although it represents, I believe, about \$350,000 across northern Ontario, that's very substantial money for those communities that are affected.

So, really, it's one of, again, more discussion and inclusion of northern Ontario. We don't have the benefit of going to other urban centres when our economy tends to shift; we're a very circular economy. Mining and forestry tend to be at opposite ends of the business cycle, and we certainly see the effects of that.

I take this opportunity to mention to you that certainly the forestry sector in northern Ontario was in a state of decline and was challenged far before the international economic meltdown. When the auto sector required some assistance from the two senior levels of government, the province being a major one, the province literally fell over themselves with an open chequebook, saying, "How much do you need?" There was none of that assistance offered to the forestry sector, whereas today I believe the last number we've heard is that there are still over 200,000 direct jobs in the forestry sector that are well-paying jobs, even with the challenges we've had in the economy. We're on the verge now of seeing an upswing in that economy as the housing market stabilizes or picks up in the US, and we need to be well positioned to take advantage of that. So I leave you with that comment, in that we certainly don't need any more challenges from the provincial government from a regulatory standpoint, and would look to the provincial government to give us fair and equitable treatment when it comes to assistance when we ask for it.

In terms of challenges for the forestry sector, I would also take this opportunity to talk to you about the Endangered Species Act, which the Minister of Natural Resources will be dealing with. We encourage the minister to go ahead with the recommendations that both the former minister, Minister Gravelle, and major industrial stakeholders have made, that we go ahead with implementing and recognizing that the current standards under the forest licence sustainability agreement are adequate

and we do not submit or capitulate to the special interest groups, the environmental groups that are pressing hard and lobbying very hard, with big chequebooks behind them, to further limit the amount of economic activity in northern Ontario. That will have a dramatic impact both on northern Ontario and the provincial coffers as well, obviously.

One final thing I'll mention to you is that, in terms of energy pricing, we have long been advocating, as FONOM, for a competitive northern industrial energy rate. Our two jurisdictions on both sides of us, Manitoba and Quebec, are aggressively using their cheap hydro-electric power as an economic development tool, and they have power available at approximately half the rate that Ontario does. And you don't have to negotiate all day with the government to get it; it's the standard rate, about 2 cents a kilowatt hour. We have been saying for years now that that is going to cause some real challenges for both the province and specifically northern Ontario.

The Ring of Fire, everybody agrees, is going to be a major economic development project for northern Ontario, and there are decisions that are being made right now in corporate boardrooms about where to process that raw material, which is where the real value-added benefit is for the province, both in revenue and jobs. And cost of energy, because they are labour-intensive industries, is going to be a big issue. We've graphically lived it in the north. Timmins has lived it more than anyone else when, not that long ago, a year or so ago, Xstrata picked up 786 high-paying jobs and went a few kilometres down the road to Quebec, where the energy is cheaper. If we don't address this problem, it's going to continue to be a big challenge for us and we're going to get left behind. It needs to be addressed.

So with that, I think that concludes the highlights of what I wanted to say to you this morning had I been there. I will take the opportunity to send a more comprehensive submission, if you will, electronically, and I was going that information shortly before.

I'd be happy to answer any questions, if there's time for that.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Alan. I understand you're also speaking on behalf of your municipality today. Is there anything you wanted to add in that regard?

Mr. Alan Spacek: Well, I think the issues that I've mentioned for municipalities, in terms of infrastructure and delivering services to their citizens, would apply to ours. But certainly this is a very timely opportunity, because last evening we did our first run at our municipal budget, and it was quite evident to us that the provincial government has downloaded a number of very costly policies, if you will, whether it's drinking water or water and sewer issues, the way we deliver our services or whether it's the accessibility act etc. It's becoming very difficult for us to meet those obligations, at the same time recognizing that certainly taxpayers up here have a limited ability to pay. There just aren't that many of us.

0920

So I think from a municipal perspective, I would highlight predictable, sustainable funding for municipalities, especially for infrastructure. That would be addressed through my request, on behalf of the federation, for a \$75-per-household increase to the Northern Communities Grant.

The Chair (Mr. Kevin Daniel Flynn): Very good. Thanks, Alan. I'm going to turn it over to Peter Shurman.

Mr. Peter Shurman: Good morning, Alan. How long have we got, Kevin?

The Chair (Mr. Kevin Daniel Flynn): You've got about a minute.

Mr. Peter Shurman: Well, you know what, I just wanted to say thank you very much for the presentation. I don't profess to be any kind of an expert on northern affairs, but I do sit in the Legislature and listen to the concerns, and I've listened to your concerns today.

I'm interested, in the short time that we've got, in a bit of amplification so I can really understand the \$25 million, which, in the overall scheme of things, is not a lot of money. Explain exactly what you want and how far \$25 million really can go across 100-plus municipalities.

Mr. Alan Spacek: That money would go directly to infrastructure. I think it's no secret anywhere in the province that communities have a substantial infrastructure deficit, and we just can't continue to increase our tax rates locally to meet what those infrastructure demands are. A lot of those demands are as the result of policy from the province. That increase of \$25 million would go directly into infrastructure, whether it's water, sewer, streets, what have you. I can't emphasize enough, and I think you'll hear again this morning from some of my other municipal colleagues, the challenges they're facing when it comes to dealing with these major water, sewer and road projects.

Mr. Peter Shurman: No doubt about it, and I thank you for that. Maybe one last comment before we have to be cut off by the Chair: We recognize very well what has happened to energy rates across the province of Ontario, and probably nowhere more so than up here in the north. As we look at the much-discussed and touted Ring of Fire, it seems to me that there is a major investment on the part of the province in the offing on the transportation piece, because you can't get that stuff out of the ground and send it anywhere unless you have transportation. Any comments on that?

Mr. Alan Spacek: Absolutely. Transportation infrastructure is key to developing the Ring of Fire. The two major developments, Noront and Cliffs, have said that. Energy pricing is the next step. Once they get it out of there, where are they going to process it? But even to start the project, they need transportation infrastructure. If you build it, they will come, so to speak. They say that this development, this project, has the potential to be larger than Sudbury.

We need some support and guidance and leadership from the provincial government to take a lead here and decide whether it's going to be rail or road. We know

that rail is the most economically and environmentally sustainable way to do it. We have right in our backyard here the Ontario Northland railway commission, which could easily meet that demand.

One final comment, quickly Chair, if I could, is that we're very proud people up here. We are miners. We have forestry. We have a lot of high technology. We make a substantial contribution to the province. We simply ask that we get our fair share when it comes to wealth redistribution and recognition for our way of life.

Mr. Peter Shurman: Alan, thank you very much. We appreciate your appearance.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Alan. We wish you could have been here, but this was the next best thing. Thanks for taking the time out of your day.

Mr. Alan Spacek: Thank you very much.

Mr. Gilles Bisson: Point of order, Chair: I didn't get a chance because of the way things started off, but just as the local member, I just wanted to welcome people to the city of Timmins and the riding of Timmins-James Bay. It snows like this every day, you should know, in the wintertime. That's why we have snow machines and four-by-fours.

But I also have to say that part of the reason that Al Spacek and our clerk for the municipality, Yvan Brousseau, and I think Moonbeam may not be able to be here is, again, highway closures. It's a real serious issue in northern Ontario, the condition of our highways. Today we understand there's a pretty serious accident in Strickland. That's why the highway is closed: having to do with highway conditions.

If there's one thing you can bring back—amongst many things you get when you come to northern Ontario—we need to talk to our minister together, collectively, as members so that we can increase the standard by which we maintain highways in northern Ontario.

The Chair (Mr. Kevin Daniel Flynn): Thank you very much. It's great to be here.

NORTHERN COLLEGE OF APPLIED ARTS AND TECHNOLOGY

The Chair (Mr. Kevin Daniel Flynn): Our next delegation this morning is Fred Gibbons, president and CEO of Northern College. Fred, if you'd like to come forward and make yourself comfortable. Thank you for being here today. Everybody gets 15 minutes; you can use that any way you like. If you'd like to leave some time at the end for questions, that would be great. The questions, this time, will go to the NDP. I'm just going to start the clock, and the floor is yours. Welcome.

Mr. Fred Gibbons: Good morning, and thank you. My name is Fred Gibbons. I'm the president of Northern College. While I address you today in that capacity, I'm also speaking on behalf of my 23 colleagues at Ontario's other community colleges.

Thank you for this opportunity to provide you with some thoughts and some recommendations as you prepare the 2013 Ontario budget.

In the new government's speech from the throne, we were pleased to see the focus on job growth and the recognition that an educated and skilled workforce is essential to meaningful job creation.

We know that Ontario faces a significant skills mismatch that is leaving huge numbers of people unemployed, particularly among Canadians 15 to 24 years of age, in which the unemployment rate is 13.6%. This is in contrast to less than 6% unemployment for those 25 years of age and over—stark contrast. Growing numbers of people do not have the education and qualifications to find meaningful work.

A Conference Board of Canada report predicts that Ontario will face a shortage of more than 360,000 workers by 2025. That's less than 12 years from now. As Ontario's economy continues its recovery, a major barrier that daunts and will continue to impede a robust economy and sustained growth is the shortage of skilled workers, particularly technicians and technologists who are vital to the recovery of the manufacturing sector generally and to growth in the resource sector specifically.

But we don't have to look 12 years out to realize that Ontario has a serious shortage of skilled workers. One has only to look at the employment advertisements in local papers or on employer websites to see that the shortage is here now. This shortage needs to be of immediate concern to all of us, and it requires a strategic, concerted and coordinated effort to protect the well-being of not only local industries but indeed the well-being of our communities.

In his Ontario-based report *People Without Jobs, Jobs Without People*, Dr. Rick Miner describes a perfect storm where, by 2021, we will have large numbers of unemployed while jobs go unfilled simply because of a skills mismatch as we tread more deeply into the knowledge economy. Employers will need more highly skilled workers as technology continues to change and advance while global market competition for goods and services intensifies.

The demographic distribution of Canada's population is such that we are acutely aware of retiring baby boomers while the number of young people entering the workforce is already in decline. In effect, our workforce is shrinking at both ends of the age spectrum.

These challenges push us well beyond our individual capability to act alone. Government, employers, workers and educators must all take co-operative and comprehensive action to address the impending labour crisis.

This is not only a local phenomenon; we already see a mass movement of migrant workers from one region of Canada to another to work on resource projects. We've experienced this locally with mining developments.

A report released just last week by the Far Northeast Training Board and the Mining Industry Human Resources Council revealed that the cumulative hiring requirement forecast through to 2022 in the Cochrane

district alone is for 11,870 workers spanning 66 occupational groupings in the mining sector.

To avoid future economic risk while ensuring community stability and sustainability, we must begin to develop local solutions that will include retraining our existing workforce for the skills that are in demand; informing and encouraging our youth to make vocational and career choices in college that will lead to viable, well-paying, skilled trades careers; building stronger partnerships with First Nations communities so our workforce becomes more inclusive of aboriginal peoples; and continuing to support immigrant attraction efforts. But above all, we must engage and commence a dialogue that actively begins to address the issue.

I'm pleased that the dialogue regarding Ontario's skilled labour shortage continues to expand, and I encourage you to join in this essential discussion with other members of the Legislature in the lead-up to the 2013 spring budget.

0930

Messaging from Ottawa—this is very recent messaging—suggests that they may be poised to cut \$2 billion from EI training transfers to the provinces. Ontario would receive approximately 40% of those transfers. This will have a devastating impact if it comes to pass. It will already exacerbate the critical skills shortage that I just described. What is at stake is the stalling of our economic recovery.

Ontario's 24 colleges can help the government deliver on the commitment laid out in the speech from the throne and address the skills mismatch. We believe, more than ever, that Ontario needs to produce more college graduates to be competitive in the global economy. With almost 600 programs that are educating and training students from a wide range of income groups—those returning for retraining, first-generation students, aboriginal learners and students with disabilities—in about 200 communities throughout the province of Ontario, Ontario's colleges are well positioned to ensure that Ontario has the qualified workforce that it needs in the years ahead.

We're also calling on the government to address the 2012 spring budget decisions that are disproportionately affecting colleges. We understand that tough decisions are needed to get Ontario back to balanced budgets. Colleges support efficiency and have proposed recommendations to find new savings in post-secondary education, such as improvements to the credit transfer system. This issue, however, is the burden that was placed upon colleges in the post-secondary reductions announced last year. Unfortunately, colleges were asked to absorb 46.5% of the reductions.

As we explained in the college sector's budget submission that was sent in in December, colleges receive 28.7% of the total operating funding for post-secondary education. The college share of the reductions in post-secondary funding should be, therefore, in the range of about 28.7%, not the 46.5% reduction that was imposed. Colleges should be treated equitably.

It is more essential than ever that colleges have the resources to provide higher education and career-focused training to greater numbers of people. With unemployment rates among youth as high as I previously quoted, education and skills training must remain a key priority of the provincial government, with particular emphasis on youth and long-term unemployment. Ontario's college sector delivers quality programs at a low cost to government; in fact, lower than any other Canadian province. Ontario's colleges operate on less per-student funding than either universities or high schools in Ontario.

We are urging you to work with us to help get these issues addressed in the upcoming provincial budget. While the current fiscal challenges facing the government cannot be ignored, we believe the government must remember that not all its partners in the broader public service are starting from the same base in terms of efficiency and productivity. Ontario's colleges have been great partners of the provincial government, most recently evidenced in surpassing provincial targets for Second Career program participation rates and delivering on public sector wage restraint targets within the college sector.

Ladies and gentlemen, the Ontario college system is already quite lean, and a very efficient and effective steward of the public purse. Thank you. I'd be happy to take any questions at this time.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Fred. You've left quite some time for questions; that's wonderful.

Michael or Gilles? About six minutes.

Mr. Michael Prue: I have some questions here. As we recommend to the finance minister what to put in the budget, we like to give some numbers, and this is a little bit shy of numbers. In a perfect world, how much would the college system in Ontario need to run at maximum efficiency? Could you use another \$100 million? I mean, how much?

Mr. Fred Gibbons: The provincial government indicated that colleges would be receiving about 1% growth over the next three years—a 1% growth in funding. That's really premised upon colleges continuing to grow. Now, that's not going to be much of an issue for colleges in the GTA, but other colleges outside of the GTA—so whether we're talking about Sarnia or Belleville, and certainly Timmins and all of the northern Ontario colleges would be in the same predicament—won't see any of that funding growth. So we're actually into negative funding at this point in time. We would ask the government to at least ensure that enrolment growth for colleges in southern Ontario is maintained as it has been in the past, but at least restore the true 1% increase in funding to colleges that are otherwise not growing.

Mr. Gilles Bisson: What is that worth? That's the question.

Mr. Fred Gibbons: Sorry; 1% would be about \$80 million, \$90 million.

Mr. Michael Prue: So I wasn't far off when I suggested \$100 million.

Mr. Fred Gibbons: No.

Mr. Michael Prue: You have stated in your presentation that "Ontario's college sector delivers quality programs at a lower cost to government than in any other Canadian province." What do other provinces give to their college sectors?

Mr. Fred Gibbons: You mean in terms of student funding?

Mr. Michael Prue: Yes.

Mr. Fred Gibbons: Colleges Ontario, which is an umbrella advocacy body for all of the 24 colleges in Ontario, has provided reams of national data to the provincial government year over year as part of our budget submission. That's really very well articulated and documented at this point in time.

I don't have the numbers off the top of my head, but what I can tell you with assurance is that we are the lowest-funded jurisdiction in Canada, of all provinces and territories. Unfortunately, when the media talks about rampant rates of tuition increase in the province of Ontario, they are focusing on universities; they're not talking about colleges. College tuition is less than half—I'll repeat that: less than half—that of universities. I've already declared in my notes that we receive less funding than universities and high schools in Ontario.

Mr. Michael Prue: Again, the former Premier styled himself as the education Premier, and yet here we are last. Is that what you're saying: We're last?

Mr. Fred Gibbons: That's correct.

Mr. Michael Prue: And we're last, in the universities, in terms of professors to students—

Mr. Fred Gibbons: The ratio.

Mr. Michael Prue: Is that true in the college sector as well?

Mr. Fred Gibbons: It is.

Mr. Michael Prue: Okay. Mr. Bisson?

Mr. Gilles Bisson: Just back to the connection in regard to the need to provide the skilled trades for industry, wherever it might be—in southern Ontario, in northern Ontario—what steps can be taken that would really make a difference in being able to tie the workplace to the training? That seems to me one of the areas where we need to do a little bit more work.

Mr. Fred Gibbons: And my comments were very deliberate. This is not something that we can act upon individually. It really does require a concerted effort of government, of labour, of educators. As an example, Gilles, employers are continually coming to our colleges, coming to me, wanting graduates, but they want graduates with their diploma and five to seven years of experience at the same time. It doesn't happen that way. We need employers to recognize that fact and to be more welcoming—I'm not going to say creating an apprentice-like kind of program, because that has a certain connotation in the province, but certainly a program where they mentor individuals who do not have the depth of experience in the workplace. If we're so short-sighted and don't recognize that fact today—the longer it takes to

recognize a fact, the more acute the problem is going to become.

Mr. Gilles Bisson: Is there any time left, Chair?

The Chair (Mr. Kevin Daniel Flynn): Yes. There's a couple of minutes, I think. Two minutes.

Mr. Gilles Bisson: I'm a product of the apprenticeship system, so it worked fairly well for me—I hope, anyway. But it seems to me that that's really where we need to put the emphasis. As I sit down and talk to employers across the region, you're right: They are looking for people who are already qualified, and often that's not available. And they may not have the financial means or the patience or the capacity to deal with trying to train somebody up. It seems to me you're right: We need to do something that allows us to connect the workplace to the college or university system, whatever it might be, to train up.

Can you talk a little bit about your experience in regard to how you're expanding to mining geology with Queen's and how that could be an example of how we can use our college systems better?

Mr. Fred Gibbons: Yes, certainly. In this particular area here—I'd like to make two comments, but I'll answer your question first.

In northern Ontario, the two pillars of our economy are mining and forestry, as was declared in Al Spacek's earlier comments. The needs of the mining sector are not only for college graduates but university graduates as well. College graduates are represented very strongly, generally, throughout the mining operations. And remember, mining is more than just extraction; it's 66 vocational occupations.

Unfortunately, as people with college educations aspire to advance within the company, they don't have the requisite undergraduate degree. Of course, at that point in time, they have so many years vested with the company; they have families and commitments and things like that. They can't uproot themselves and head off to a university community to acquire their undergraduate degree.

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Recognizing that reality, we have formed a partnership with the economic development corporation, the chamber of commerce, the city of Timmins and our college to have Queen's University begin to offer an undergraduate degree program in Timmins that ladders from—and all that simply means is, they're going to recognize the two-year college diploma and give students advanced standing in the undergraduate degree. That's huge, because it's also going to be offered in a part-time format so that the program captures students who complete their college education and want to continue on seamlessly for their undergraduate degree. But it also allows people who are employed not to have to leave their employer but to take these studies on a part-time basis.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Fred. Thank you for joining us today.

Mr. Fred Gibbons: Thank you.

The Chair (Mr. Kevin Daniel Flynn): We appreciate it.

ONTARIO FOREST INDUSTRIES ASSOCIATION

The Chair (Mr. Kevin Daniel Flynn): Our next delegation is Jamie Lim. Jamie, if you'd like to come forward. Good to see you again.

Ms. Jamie Lim: Good to see you again.

The Chair (Mr. Kevin Daniel Flynn): You know the rules here.

Ms. Jamie Lim: You have rules? Oh, my God.

The Chair (Mr. Kevin Daniel Flynn): We have rules. We're from southern Ontario.

Ms. Jamie Lim: I will try not to break any rules this morning. I do promise.

Katch is passing out the presentation and the eight appendices.

The Chair (Mr. Kevin Daniel Flynn): Fifteen minutes. You use that any way you like. The questions this time will come from the government side.

Ms. Jamie Lim: Perfect. Members of the standing committee, OFIA represents member companies ranging from large multinational corporations to small, family-owned businesses that produce a broad range of forest products.

Since 2006, Ontario's forest sector has overcome enormous challenges. Finally, boosted by the US housing recovery, 2013 will be the year that Ontario's forest sector rebounds. With US housing starts forecasted to rise another 30% in 2013, reaching one million in 2014, CIBC analyst Mark Kennedy stated that "this is a real recovery that we're in." Presenting on the future of Ontario's forest sector, at OFIA's annual meeting, Peter Barynin, RISI's principal economist, made it very clear that the world needs wood.

So the question is: Does the Ontario government want to promote and want to get behind a viable, renewable industry with a proven track record that has been and can continue to be the cornerstone of our province's local, green economy?

Let me explain to you why supporting Ontario's forest sector is a smart choice. It's a renewable sector that, despite the recession, remained a significant contributor to the provincial economy, supporting, as Al Spacek points out, 200,000 direct and indirect jobs in over 260 communities. In the worst year of the recession, wages and salaries were \$2.5 billion, and taxes to all three orders of government were \$2.3 billion—some \$14 billion in sales, and we spent almost \$1 billion in capital and repair expenditures.

To put this in perspective, an average-sized Ontario mill, with the consumption of approximately one million cubic metres, with 190 jobs, pays \$800,000 in provincial income tax each year, spends \$13.4 million on goods and services, and generates about \$40 million in tax revenues. That's a very, very significant return for one million cubic metres of sustainable industrial fibre, and it is exactly why this government should do everything they can to maximize the full potential of this renewable natural resource.

If that's not a good enough reason, I've got eight trillion for you. One of the biggest opportunities is the global construction industry, estimated at \$8 trillion annually. As more and more consumers and more and more architects seek out green solutions, they are naturally choosing the only renewable building material: wood.

As a leader in Ontario's government, by actively choosing to support Ontario's forest sector, you are actively participating in your province's prosperity and you are supporting one of the best-managed natural resources in the world. As explained on the government's own website, forestry truly is a renewable resource; for every tree harvested, three take root.

Today's forest sector is not my grandfather's forest sector. Today's forest sector is a highly innovative, integrated and complex business. The foundation is primary building products such as lumber, oriented strand board, engineered lumber and plywood.

Look, I know that some people don't think a two-by-four or a panel is sexy—I just happen not to be one of them—and they want to talk about value-added products like jet fuel. And that's okay, because our sector depends on viable downstream products. But consider the following: Peter Barynin stated, "Bread and butter is and will remain traditional forest products—higher value added to wood fibre, more jobs and higher value jobs and best end use match for Ontario wood fibre." And that's great, because in Ontario we are fortunate to have 85 billion trees in our forests, and annually the sector harvests only one half of 1%.

Our forest management plans are developed to ensure sustainable management over a 100-year cycle. We plan for generations. And now with the recovery, Ontario's forest sector, the companies that did what they had to do to survive, are ready to put Ontario's wood back to work, ready to grow their companies, grow jobs, grow communities, grow Ontario and, yes, supply the world with sustainable forest products.

Evidence of the sector's commitment to put wood and people back to work is the recent announcement by Resolute Forest Products. They plan to build a brand new \$50-million mill in Atikokan this spring. It will employ 90 direct jobs. You have to multiply that by four for northern Ontario to get the indirect jobs, so it's a huge, huge announcement. Atikokan's mayor said that the jobs "will be critically important in providing economic stability for our region."

Over the past five years, the provincial government has implemented numerous effective competitive measures. However, as Peter Barynin pointed out, Ontario remains a high-cost jurisdiction. The good work that the province has done via its competitive restoration measures desperately needs to be complemented by the right public policy. Over the past several years, our sector has continued to witness the development and implementation of damaging, one-pillar provincial policy, policy that has increased costs, reduced the forest land base and created uncertainty. At the end of the day, folks, business

runs on certainty, and that certainty can't be achieved in Ontario without practical, three-pillar public policy and updated competitive measures.

It's not too late. We can turn this around. We can be the envy of the world.

We've outlined seven areas in appendix 1, and I'm going to go through them quite quickly.

(1) The Endangered Species Act: Since 2007, the implementation of the ESA has been an ongoing source of uncertainty for companies. Presently, the government is reviewing a forestry transition measure, and we are urging all parties to recognize that maximizing the full potential of this resource depends on this regulation being finalized.

(2) Fibre equals jobs, folks. Mills need wood to work. We request that the government permanently protect Ontario's 26 million cubic metres of sustainable industrial fibre. Municipalities support this ask. Recently, NOMA launched the REAL Treehugger campaign. I would urge you to go visit their website. It's not the Suzuki hugging kind of thing. We request that the government conduct transparent socioeconomic impact assessments. You heard this earlier from Mayor Spacek.

(3) On tenure, we request that the government implement tenure reform in a manner that is consistent with the principles endorsed by the minister in October, and that you respect and maintain wood supply commitments that are being utilized by their holders.

(4) On competitive restoration measures, consistent with the written commitment from the Premier, we request that the government restore the roads program to its initial funding level of \$75 million a year for public infrastructure. And, in order to further promote a competitive integrated forest industry, we ask that you set the fixed portion and the residual stumpage price of the crown dues rate for poplar and birch at competitive rates.

(5) On environment, we've been working with the MOE for the past 18 months on the development of a technical standard for the pulp and paper sector. We would like to acknowledge the work that the MOE has done on this standard, and we look forward to the minister's approval this spring after public consultation.

Also, there are four additional recommendations to MOE, and they're in appendix 1.

0950

On electricity, Mayor Spacek said it all. We want to thank the government for announcing the three-year extension to the NIER Program. However, we are recommending, like you heard earlier, that government develop a competitive forest-sector-wide electricity pricing program.

Lastly, on "Ontario wood, the natural choice," OFIA has encouraged government to support Ontario's renewable forest sector with an initiative similar to Foodland Ontario's "Good things grow in Ontario." Food is not the only thing growing in Ontario; trees grow. MNR has done a terrific job creating a brand, and we recommend that government provide MNR with funds to

launch a consumer campaign that promotes Ontario wood, the natural choice.

I've got folders here for you with TV ads and radio spots and stuff that they want to run. You're going to be blown away when you see what is being done with Ontario wood.

In conclusion, many of you represent southern Ontario, and you clearly understand that auto jobs are critically important to that region. Recently in an interview, Ford's CEO made it clear that they are looking at investing in Oakville "contingent on government subsidizing one third of the cost." She went on to say that in order to compete with lower-cost jurisdictions, subsidies are "a key ingredient," and that in their absence "it becomes very problematic." That article is in your appendices.

Today, the OFIA is not asking for company-specific subsidies. We are asking you to address broad competitive measures that any viable forest company, big or small, new or old, multinational or family, can benefit from, and let us do the rest. We are also asking you to address government policies. That doesn't take money; it takes courage.

In conclusion, Ontario can no longer afford the slow erosion of Ontario's fibre basket and the associated uncertainty. Ontario has great potential. With practical public policy and up-to-date competitive measures, together we can maximize the full potential of Ontario's remarkable renewable forest sector. We can and we will maintain and grow Ontario jobs, so let us get going.

I'm glad to take questions.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Jamie. Great presentation. You've left us about four minutes. Who's going to go first? Dipika.

Ms. Dipika Damerla: Thank you, Jamie, for a great presentation. Your passion comes through, and you did a really good job of presenting the potential of the forestry industry.

I just had a quick question on electricity rates, because that's come up a few times. I know that the Ontario government has offered a 25% rebate—

Ms. Jamie Lim: That's the NIER Program you're talking about. It's a great program, but you have to be a large user, you have to be more or less pulp and paper, and you have to be situated in northern Ontario. I have big pulp and paper sector members operating in southern Ontario. What you're doing with NIER is you're setting up, right in your own province, an unequal competitive situation because companies that employ large numbers of people in southern Ontario can't access NIER.

Recently, Cascades has done so much innovatively on the environment side. They have a mill by Pearson airport, for example—they've got several, but that's one of them. They were in line for a huge update in that facility, and the board, despite all of the great things that they've done, decided to invest those funds in New York state because New York state has one of the most aggressive electricity economic development programs in North America.

At the end of the day, we've all got to recognize—I don't begrudge the auto sector anything the government wants to get them, because I live in Ontario. At the end of the day, if we keep bleeding manufacturing jobs the way we're bleeding them, we're all pooched. I just think it's important, as the Ford CEO pointed out, that we're in a global marketplace, and it is highly competitive. Jurisdictions in that global marketplace are offering huge incentives to companies. So Ontario has got to decide: Do you want to be a player, or do you want to let those jobs go to another jurisdiction? Trust me, they will.

Ms. Dipika Damerla: Let me ask you a follow-up question. With the 25%—I call it a discount, whatever—is electricity competitive in northern Ontario with other jurisdictions?

Ms. Jamie Lim: You can't say in northern Ontario. For those companies—

Ms. Dipika Damerla: No, but then you come to southern Ontario—

Ms. Jamie Lim: Yes, but for those companies in northern Ontario that can participate in the NIER Program, electricity is competitive, but you're talking about maybe three; a handful of companies. So it's great. It's an amazing program, but you need to expand it.

Ms. Dipika Damerla: Do you have any numbers as to how much it would cost the government to expand it?

Ms. Jamie Lim: I don't have those numbers with me today.

Ms. Dipika Damerla: My other question—do we still have time for questions?

The Chair (Mr. Kevin Daniel Flynn): Yes. You still have about a minute.

Ms. Jamie Lim: And I should say that it's not just for the forestry sector. I live in Timmins but I work in Toronto. I'm part of an industrial electricity association group, and we have everyone. We have auto, Campbell Soup—you name it; they're in this group. They're all saying the same thing: You need industrial electricity rates in Ontario to maintain and attract your manufacturing jobs. So it's not just for forestry that I'm putting that on the table today.

The Chair (Mr. Kevin Daniel Flynn): We're down to about 30 seconds. Have we got time for one quick one, Soo?

Ms. Soo Wong: You gave us quite a few recommendations in your presentation. Is it in the order of priority?

Ms. Jamie Lim: No. I would say that the number three items—and they're all policy items; they're not money. The Endangered Species Act: If that forestry transition measure is not finalized, I think that there will be a reversal in announcements that have been made recently, so it's critical.

The Chair (Mr. Kevin Daniel Flynn): Thank you. Good timing.

Ms. Soo Wong: Mr. Chair—with regard to your requested funding for item number 7, dealing with the campaign, what number is your industry prepared to match?

Ms. Jamie Lim: It's not up to the industry. I don't think farmers match Foodland Ontario. Their budget is 70 million a year in tax dollars. We think that the government has spent money developing an amazing branding, and I'm going to hand out these packages, and the disk is in them. It's awesome. But if this just goes and sits on a shelf, that's going to be really, really sad. I think that Foodland Ontario—

The Chair (Mr. Kevin Daniel Flynn): Thank you, Jamie. That was great.

Ms. Jamie Lim: —spends \$4 million annually on their consumer campaign.

The Chair (Mr. Kevin Daniel Flynn): I know you could go on forever, and you've got great stuff to say, but we're trying to be fair to everybody.

Ms. Jamie Lim: And I'm breaking the rules.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Jamie.

TIMMINS CHAMBER OF COMMERCE

The Chair (Mr. Kevin Daniel Flynn): Our next speaker this morning is Art Pultz—Art, if you'd come forward, make yourself comfortable—from the Timmins Chamber of Commerce. Fifteen minutes, like everybody else, except Jamie seemed to take 16.

Mr. Art Pultz: That's okay. Some things don't change with Jamie.

The Chair (Mr. Kevin Daniel Flynn): You use that any way you like. There will be some questions at the end, I'm sure, and those questions will come from the PC side this time. It's all yours, Art.

Mr. Art Pultz: Thank you very much. Good morning, and welcome to Timmins. My name is Art Pultz, and I am the president of the Timmins Chamber of Commerce, which represents the interests of more than 800 businesses here in the city and surrounding municipalities. We have effectively served as the local voice of business since 1949, and our presentation to you today is based on continued consultation with our members, all of whom have a vested interest in Ontario's economic prosperity.

Before we get started, I'd like to thank you for taking the time to travel here today, especially on a day like today. I'm sure you'll get a taste of what northern Ontario is all about. We do fully appreciate, though, you being able to directly take our feedback and, in doing so, ensure that the knowledge and perspective provided by our business community is being well heard.

With that, I'd like to speak to you about some of our members' specific priorities for the provincial government within the context of these pre-budget discussions.

Specifically, we'll address the following issues: energy, which you've heard quite a bit about this morning; the Ring of Fire; workforce development; transportation taxation; and investment in northern Ontario, specifically the Ontario Northland Transportation Commission and the Northern Ontario Heritage Fund Corp.

Few issues resonate for business in our region quite like the topic of energy. Soaring costs have become a significant and growing concern in recent years, particularly for manufacturing and resource development industries—high-use sectors that constitute a significant portion of northern Ontario's economic strength and, by extension, a strong proportion of the province's wealth.

These concerns are heightened by neighbouring jurisdictions, such as Manitoba and Quebec, which offer more competitive pricing and long-term supply contracts bearing 20% to 40% cheaper rates than Ontario. This difference has contributed to major industrial firms relocating to these lower-cost environments. In 2009, Xstrata Copper shifted its metallurgical facilities from Timmins to Rouyn-Noranda, Quebec, with energy costs as a major factor. This eliminated 4,428 direct and indirect jobs throughout Ontario. It eliminated \$237 million in salaries and \$150 million of annual tax revenue across all levels of government. Given this significant impact to not only our community but the province as a whole, we must ask that the province work more strenuously to develop long-term strategies to ensure that Ontario's energy pricing structure is more competitive, particularly with our neighbouring jurisdictions.

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That said, we do recognize that Ontario's interim measures to mitigate soaring costs have included industrial rate reduction programs with long-term pricing certainty. This includes the recently extended Northern Industrial Electricity Rate Program, which has proven popular as a stopgap measure for price relief. Until permanent rate reduction strategies are in place, development of such programs should continue and expand to provide operational certainty for business.

This important issue also directly impacts the potential surrounding the Ring of Fire, a chromite-rich region in the James Bay lowlands where Cleveland, Ohio-based Cliffs Natural Resources is set to spend \$3.3 billion to unlock approximately \$50-billion worth of minerals.

This windfall for the provincial economy faces several provincial obstacles, however, as Cliffs executives initially stated that "power rates in Ontario were too high to site a refinery in the province when compared with neighbouring provincial and US jurisdictions." Although we understand that talks are ongoing to mitigate the project's energy connectivity and long-term costs, including the operation of a proposed \$1.8-billion smelter in Sudbury, we must point out that Cliffs has suggested in recent weeks that it may significantly scale back its efforts until the power issue is resolved. Needless to say, we must encourage the province to accelerate this discussion to avoid any further delays to this crucial investment in the province.

In fact, we would generally advise the province to carefully but diligently progress with additional conversations surrounding this important development. From infrastructure to environmental approvals, there are any number of issues that will need to be addressed in the coming months and years, and we strongly suggest that

the government move forward on these files. Uncertainty has already led to the project's start date being pushed back to 2016 and quite likely beyond that. It would be in the best interests of our provincial economy to engage more fully in these discussions. With the federal government having appointed the Honourable Tony Clement as their official representative for the project, we of course ask for collaboration on these issues as soon as possible, particularly as costs will need to be shared among all levels of government, as well as various private sector partners.

The predominant concern is the need to more fully engage the many aboriginal communities in and around the area. Constructive partnerships with First Nations communities to sustainably develop Ontario's natural resources are fundamental for the future of the region, the project and, indeed, our province. Although businesses will have a strong role to play, these conversations must be spearheaded by government, which must provide the lead in establishing a framework for these partnerships. While much preliminary talk has surrounded this project, we must join the Ontario Chamber of Commerce in fully insisting that the government make the Ring of Fire a significant and immediate priority.

As the demand for workers grows across all sectors, the need to more fully engage Ontario's aboriginal population will become ever more important in ensuring our economy's long-term competitiveness. For instance, the mining sector in the Cochrane district alone will require nearly 12,000 more workers over the next 10 years. Expand that to all other sectors of our province and the urgency surrounding this problem becomes very clear.

Despite the mounting skills shortages that are already constraining businesses' ability to grow, the province's aboriginal employment rate is far below that of the non-aboriginal population. While we are pleased to see the efforts that the province has made in enhancing First Nations educational funding, it is clear that more needs to be done to provide strongly funded, outcomes-focused and culturally appropriate learning opportunities.

There are other ways in which the province can prove itself a leader on addressing this issue, including tackling the question of apprenticeship ratios, which should ideally be brought on a scale of 1 to 1 in as timely a manner as possible. Again, the Ontario Chamber of Commerce is seeking to work with the Ontario College of Trades to implement such changes, and we of course support this and any other effort that can provide much-needed support to the development of our workforce.

In addition to the current staffing challenges, high energy costs and global competition, the ongoing increase in transportation costs poses significant operational challenges to Ontario's industries that rely on hauling raw materials from source to destination and various points in between.

Several Canadian provinces and territories already have systems in place to provide tax exemptions or refunds for fuel consumed off-highway for specific commercial purposes. This is designed to recognize that tax

collected on standard fuels is typically used to maintain provincial highway networks. While Ontario offers tax-exempt fuel for equipment or vehicles that travel solely off-highway, there are no exemptions for vehicles that travel both on- and off-highway, otherwise known as a mixed-road haul. When trucks haul resources within Ontario, such as ore to refineries and wood to mills, a significant portion of the fuel consumed is consumed while driving off-highway access roads. For forestry, this can be as high as 50%.

Today's computerized and automated technologies, such as GPS, make tracking on-highway and off-highway portions of any haul simple, accurate, transparent and cost-effective, and would allow Ontario industries to take advantage of fuel tax rebates that would enhance business competitiveness both nationally and globally. As such, we must recommend that Ontario look at establishing methods to rebate fuel tax for the off-highway portion of mixed-road hauls.

Also key to the future of transportation in our region is the Ontario Northland Transportation Commission, the ONTC. We fully understand and wholly appreciate that the Auditor General has agreed to investigate the full range of costs involved in the divestment of the ONTC, as the results will allow for some definitive cost-benefit analyses that thus far have been lacking from these discussions. Regardless of what the results may be, however, we must reinforce its sheer importance to northern Ontario.

Transportation infrastructure, and more precisely rail transport, is a vital component of any industrial policy, and by design it serves as a stimulus to productivity, growth and overall competitiveness for Ring of Fire opportunities and the attraction of heavy industry in general. Privatizing the ONTC without a plan for the future only further isolates northern Ontario from a wide variety of opportunities and amplifies current transportation infrastructure problems. Combined with an already inadequate highway system in northeastern Ontario, the loss of freight and passenger rail service will only further impair economic development opportunities for all sectors in this region.

In addition to the lost opportunities, safety issues will likely increase on the highway systems as more tractor-trailer units, already struggling from insufficient passing lanes and sightlines, are forced onto the road.

The Growth Plan for Northern Ontario, which was released in March 2011 and championed by the Ministry of Northern Development and Mines, acknowledged the need for an integrated, multi-modal transportation system in northern Ontario, including rail, which was meant to "link major markets, resource development areas, and economic and service hubs." The government's decision to shut down the ONTC is in direct conflict with their growth plan for the north and will have a major impact not only on the opportunities presented by the Ring of Fire, but on future development projects.

Groups such as the General Chairperson's Association have proposed alternative economic plans for the ONTC,

and, without being able to speak to their validity, we must ask the government to consider these kinds of grass-roots solutions. With proper funding, marketing and a strong, sustainable strategic plan, the ONTC can and will provide the economic backbone our region requires. We understand that the expectation is for a private sector operator to take over this work, but there are of course no such guarantees. Given the sheer importance placed on transportation within the growth plan, we must continue to insist that the government revisit this decision.

Since its inception, the Northern Ontario Heritage Fund Corp., the NOHFC, has proven to be an invaluable economic development tool, providing continued strength and sustainability to countless businesses. It is something that the province has wisely seen fit to continue funding, and we agree that its return on investment has been immeasurable.

Many of these decisions are made or informed by NOHFC staff based in the north, as their regional expertise lends them the knowledge necessary to understand the context that underlies many of the businesses, internships and other potential beneficiaries of its specific funding programs. As such, we must ask that this important regional staffing structure remain in place as the government moves ahead with its plans to streamline its overall approach to program delivery within the province.

We would like to take a brief moment to applaud some of the more positive provincial developments we've noted in recent weeks. For instance, we're glad to see the provincial government committing to listening to northerners through the formation of the Northern Policy Institute, as well as the recently announced northern cabinet. These should surely help to provide some badly needed and woefully overdue concrete progress on the growth plan, and we hold out hope that this will allow the government some much-needed regional perspective on issues of tremendous impact to our region, such as the Far North Act and the Endangered Species Act.

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On behalf of the board and the 800-plus members of the Timmins Chamber of Commerce, again I'd like to thank you for this opportunity to present to this important committee. We hope you are able to draw some inspiration from our perspective, and we look forward to working with all provincial parties to ensure the development of a strong northern Ontario and a strong provincial economy.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Art.

Rob, you've got about two and a half minutes.

Mr. Rob E. Milligan: Art, thank you very much for coming here this morning—Rob Milligan, from the PC caucus.

What I've heard this morning here, over and over again, are a few things that we find concerning, with energy, the development of the Ring of Fire, the lack of potential jobs, the training of the skilled labour that's

going to be required, and also infrastructure. Those are the key elements.

What we've noticed from this current government is the fact that they're paying a lot of lip service—they want to develop, they say, the Ring of Fire, and they respect the north—but they're dragging their feet on actually implementing policies that are going to promote industrial and economic growth in the north.

I just think that what we're seeing is that the government is setting the north up for failure. It is concerning, because obviously a strong northern Ontario is a strong Ontario as a whole.

My question to you, I guess, then, would sort of be along the lines of electricity in particular. You've already noted that Xstrata Copper has relocated to Quebec; 4,400 jobs, directly or indirectly, have been hugely impacted. This is something that potentially could continue under the current regulations and policies by the Liberal government. What do you suppose needs to be done from that standpoint to actually help alleviate and promote economic growth?

Mr. Art Pultz: In the short term, I think we need to continue to fund the subsidies that are available for big business in our area. In the long term, when you look at the potential for northern Ontario to generate electricity—Hydro One is doing a great job on enhancing the Mattagami River to generate hydro. I think we need to look at more of that.

I believe the Ring of Fire opportunity—one of the native bands is proposing that they dam a river and create their own hydroelectric power for that project specifically. That gives you some sustainability and builds in capacity for northern Ontario, and that's something that should seriously be looked at.

The Chair (Mr. Kevin Daniel Flynn): Thank you for joining us.

Mr. Rob E. Milligan: Thank you.

TIMMINS PROFESSIONAL FIRE FIGHTERS ASSOCIATION, IAFF LOCAL 535

The Chair (Mr. Kevin Daniel Flynn): Our next speaker this morning is Peter Osterberg, president of the Timmins Professional Fire Fighters Association, Local 535. Peter, if you'd like to come forward and introduce your colleagues. Make yourselves comfortable. Everybody gets 15 minutes. Use that any way you see fit. If you'd like to save some time at the end for questions, that would be great. The questioning this time will come from the NDP.

Mr. Peter Osterberg: Okay. Thank you very much.

The Chair (Mr. Kevin Daniel Flynn): Each time anybody speaks, if you would introduce yourself for Hansard so the people recording will know who you are.

Mr. Peter Osterberg: Absolutely. Very good. Thank you. I am Peter Osterberg. Good morning.

On behalf of the Timmins Professional Fire Fighters Association, IAFF Local 535, I'd like to welcome all of you to snowy Timmins, Ontario. As I said, I am Peter

Osterberg, the president of the association. As a brief background on myself, I've been a citizen of the city of Timmins since I was four years old, so 40-something years now. I currently sit as the vice-chair of District School Board Ontario North East. I also sit on numerous other committees and boards within the community. I stand before you today representing the members of the Timmins Professional Fire Fighters Association and truly all firefighters across this wonderful province.

As firefighters in the city of Timmins, we provide emergency services for pretty much all responses, and training, prevention, inspection, public education and fire prevention for the residents of the city of Timmins, as well as surrounding areas on occasion.

Accompanying me today, I have Randy Richards, a captain with the Sault Ste. Marie professional firefighters and fire service, and he's also district 6 vice-president of the OPFFA. Randy is to my immediate left. I also have with me today Vice-President Scott Atkinson and Treasurer Craig Hartley of the Timmins Professional Fire Fighters Association. Craig is to my immediate right, and Scott is at the end.

I would like to sincerely thank you for the opportunity to appear before the Standing Committee on Finance and Economic Affairs as you conduct your pre-budget consultations. I must say this is the first time I've had this opportunity in my career as a firefighter.

This morning, we would like to spend a few minutes speaking on two topics of interest and concern to the Ontario Professional Fire Fighters, these being a request that you recommend extending the occupational disease coverage for firefighters by six more cancers—those being multiple myeloma, lung, skin, testicular, breast and primary site prostate cancers.

The second matter we would like to discuss is interest arbitration as it relates to firefighters and resolving collective bargaining impasses. The reason that we raise the issue of interest arbitration here, during the pre-budget consultations, is that last year the strong measures act for Ontario, which was the budget measures, introduced a set of amendments to six statutes: the Hospital Labour Disputes Arbitration Act, Police Services Act, Toronto Transit Commission Labour Disputes Resolution Act, the Ontario Provincial Police Collective Bargaining Act, Ambulance Services Collective Bargaining Act and the Fire Protection and Prevention Act. While the proposed amendments were removed from the budget bill in committee by the opposition parties, we understand that it is the intent of the government to reintroduce similar amendments.

We would like to start out by being very clear in our position: The system is not broken. The interest arbitration system is set up to settle collective bargaining impasses with a goal of having an arbitration board replicate what they believe the outcome would have been should the dispute have been settled through the collective bargaining process.

From our own internal review, in comparing the results of freely negotiated firefighter settlements with

arbitrated decisions over an eight-year period, we believe the difference is only 0.16%. By that we mean the arbitrated awards have been, when averaged out, only 0.16% higher than freely negotiated settlements. I would say that that would indicate that the arbitrators are performing as they should, and the system is doing what the system is designed to do, and that is replicating freely negotiated settlements.

Recently, there has been much reference to the Drummond commission and their review of interest arbitration. We would like to remind all of you that the Drummond commission came to the conclusion that the interest arbitration system was not broken. The commission said, and I quote from page 371 in chapter 15 of the commission's report: "Our research leads us to make recommendations to improve the arbitration process. But we hasten to add that we do not find the system to be broken."

There has also been much attention and focus on the ability to pay, or the inability to pay, and the economy. I think it is important that we also remind all of you that the current language in the current act already includes criteria relating to ability to pay and economic conditions. I refer to section 50.5, subsection 2 of the Fire Protection and Prevention Act, which outlines the duty of the board and which lists five criteria the board shall take into consideration.

I am quoting the act when I say: "In making a decision, the board of arbitration shall take into consideration all factors the board considers relevant, including the following criteria:

"1. The employer's ability to pay in light of its fiscal situation.

"2. The extent to which services may have to be reduced, in light of the decision, if current funding and taxation levels are not increased.

"3. The economic situation in Ontario and in the municipality."

The criteria go on to include comparisons between firefighters and other public and private sector workers and the employer's ability to attract and retain qualified firefighters.

So clearly, the act already includes ability to pay and the economic conditions as criteria that shall be taken into consideration. The irony of this is that municipalities, for the most part, do not produce hard economic data during the arbitration process to support an inability-to-pay argument. Then, after the award comes, for political purposes, they criticize the system.

Another aspect of the arbitration process that was to be amended in last year's provincial budget was with regards to timelines. It was proposed that an arbitrator be required to issue their award within 12 months—later it was changed to 16 months—of referral. Should the arbitrator not issue their decision within the specific time frame, the matter would be referred to the Ontario Labour Relations Board for a quick resolution. Issues in dispute and before arbitration boards can be very complex operational issues or very sector-specific. There

may be expert witnesses or detailed evidence presented. The Ontario Labour Relations Board does not have the experience or expertise in interest arbitration.

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Secondly, on the issue of the unresolved issues being sent to the OLRB, we have serious concerns with regard to the independence and the impartiality of OLRB members, as they are permanent appointees and thus depend on the government for their economic livelihoods. It would be in their best interests to ensure that those who appoint them are happy with their decisions, not necessarily the workers on the other side of the table. This is to be compared with the current process, under which interest arbitrators are either agreed to by both the employer and the association or they are appointed from a list of arbitrators that has already been mutually agreed upon.

Society has made the determination that firefighters and other essential service workers should not have the right to strike. But if the right to strike is to be taken away, it is only fair and just that a system of independent, impartial and binding arbitration be put in place, and that requires that decisions imposing collective agreements not be made by government appointees. This has been recognized by the Supreme Court of Canada itself. In the late 1990s, the Harris government replaced independent, mutually agreed-on and expert interest arbitrators with government appointees—in that case, retired judges. The court held that that was illegal.

The court ruled that without an independent, impartial, experienced, expert and mutually acceptable arbitrator—not to mention one who is not, or is at least not perceived to be a surrogate of either party of the government or appointed to serve the interests of either party or the government—the system loses the trust and confidence of the parties, elements essential to industrial relations peace and stability. A lack of confidence in arbitration would invite labour unrest and disruption of services, the very problem impartial interest arbitration was designed to prevent. If the government is intent on introducing a mechanism to ensure timelines are met, other methods than referral to the OLRB must be investigated.

I wrap up my comments on the issue of interest arbitration by reaffirming that the system is not broken. It is doing what it is designed to do. The system can sometimes be lengthy and cumbersome; sometimes there's a price to pay, that being the length of process for a well-thought-out, fair, balanced dispute resolution system that respects both sides while remaining independent.

The second issue we raise today relates to firefighter occupational disease and presumptive legislation. Presumptive legislation is defined as legislation that links a specific occupation, such as firefighting, with a disease or condition that has been shown to be a hazard associated with that occupation. An example: If we used colon cancer being included in presumptive legislation for firefighters, it would mean that if a firefighter contracts a disease such as colon cancer, it is presumed that the illness is the result of occupational exposure to chemicals

or toxins. There are qualifying conditions or criteria that need to be met, though, usually relating to the number of years of service.

Even with the best respiratory practices and protective equipment, exposures will continue to occur due to absorption through the skin once our firefighter becomes soaked during fire suppression activities. The concentration of chemicals in today's materials is much higher than in the past, due to increased use of composite materials.

Epidemiological—that's a tough word; I apologize—medical and scientific studies conclusively demonstrate an increased rate of diseases such as cancers in the firefighting population versus the general population. The medical evidence shows that firefighters have anywhere from two to four times the risk of cancers compared to the general population. If you factor in the healthy worker effect, which means firefighters are a healthier study group compared to the public, the rates are even higher.

The majority of provinces and territorial jurisdictions across Canada have recognized that firefighters are at an increased risk for certain cancers and heart injuries. The chart that I have included here shows how Ontario compares to other jurisdictions across Canada. With the exception of Nova Scotia, Ontario lags behind all other provinces with respect to occupational diseases presumed to be the result of firefighting. This would be appendix A.

If you wouldn't mind turning to page 8 quickly, I'd just like to go very quickly through this chart so we're all understanding. You'll see the chart, and we've printed that in colour for you to simplify the chart. Anywhere in red, these are the cancers that we're asking you to consider putting within your report. Then, you can see, with respect to the other provinces—the majority of them are covering those cancers as well. Thank you very much for turning there.

In 2007, with all-party support, Bill 221 passed through the Legislature, and amendments were made to the WSIB to include eight cancers and heart injuries as presumptive occupational diseases for firefighters.

We truly thank all the parties for supporting this bill. We thank all the MPPs for supporting it and the importance of this piece of legislation. It was a very good start, but we feel—as we've done some research—we fell somewhat short of recognizing all the occupational diseases that should have been recognized. We're now moving towards—and have received support from all three parties again—working to include the six more cancers necessary to cover those that have incurred an occupational disease as a result of their profession.

The six additional cancers that we have identified that need to be included within the regulations with respect to the legislation are, as I said earlier, lung cancer, multiple myeloma, breast cancer, testicular cancer, skin cancer and prostate cancer.

I have also attached a summary of each of the six cancers and their impact on firefighting. That would be in appendix B.

We are here today to ask the committee to recommend in its report that the upcoming provincial budget include the provision of occupational disease coverage for firefighters for these six new cancers. Further, we ask the committee to consider recommending that the government provide funds to help or assist WSIB in this financial impact on their unfunded liability as a result of coverage for occupational disease related to the six cancers.

Before I wrap up and take questions, I'd like to just go very quickly back to page 8. There's a paragraph—I'm not going to read it because there are a lot of words that I don't pronounce well, but underneath it, it says, "Presumptive legislation: Why we are asking for six cancers to be added." There is some documentation here just explaining the actual chemicals, not only the individual chemicals but what happens when you mix the chemicals and what it's doing to our health. I strongly urge that you please consider this recommendation or this request.

I'd like to again thank you very much for your attention to these matters. We'd be happy to have any questions at this time.

The Chair (Mr. Kevin Daniel Flynn): That's great, Peter; thank you. It goes to the NDP this time. You've got just over a minute. Michael or Gilles?

Mr. Gilles Bisson: Listen: The last budget cycle, with the support of the Conservatives, we managed to beat down the changes to wage-based arbitrations—

Mr. Peter Shurman: We didn't support you.

Mr. Gilles Bisson: You voted with us. The effect is that we killed it, and we'll take the support whenever we can get it. I, however, think that's not going to be the case this time. I'll just give you one last opportunity to make the pitch why it's important not to change the system—as your final pitch—because these are the members who are going to make that decision.

Mr. Peter Osterberg: Okay. If I may, Mr. Chair, I'd like Randy to speak on this, because I'm getting a little hoarse.

The Chair (Mr. Kevin Daniel Flynn): You have about a minute left.

Mr. Randy Richards: The system is not broken; it has worked well for some 50 years. Municipalities during negotiations and arbitrations are not arguing the ability to pay, like Peter had said, but it seems to me that for some political reason, after it's all over, they said, "Well, we don't like the system." But by changing that system municipally, how is that going to save the province any money? That's the part that we don't understand; it's a municipal deal here. It replicates a regular bargaining process. Our understanding—the awards are only 0.16% higher than the freely negotiated ones. It just replicates everything that's going on in the other cities. So, for a system that works well, we'd just like to keep it the way it is.

The Chair (Mr. Kevin Daniel Flynn): Okay. Thanks very much, Randy. I appreciate that. Peter, thank you, and to your other colleagues: Thank you for joining us today.

Mr. Peter Osterberg: Again, thank you very much for the opportunity. We very much appreciate it.

TOWN OF COCHRANE

The Chair (Mr. Kevin Daniel Flynn): Our next delegation is from the town of Cochrane. Mayor Politis, are you with us today, Your Worship? Come forward.

Mr. Gilles Bisson: Politis.

The Chair (Mr. Kevin Daniel Flynn): Politis? Politis with two i's?

Mr. Peter Politis: Politis. It's P-O-L-I-T-I-S.

The Chair (Mr. Kevin Daniel Flynn): "I-S." Okay.

Mr. Peter Politis: Yes. It's a good old Greek name.

The Chair (Mr. Kevin Daniel Flynn): We have "T-S" in here.

Anyway, thank you very much for coming today. We do appreciate it. You've got 15 minutes. Use that any way you see fit. If you want to leave some time at the end for some questions, that's great. The questioning this time will be coming from the government. It's all yours.

Mr. Peter Politis: Thank you. The pleasure is all mine. Thank you, everybody, for making the trip to northern Ontario and hearing what we have to say with respect to costs and budgeting.

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I want to speak to you not so much about some of the technical issues deep in the weeds, because you've listened to a lot, and you're going to listen to a lot more, of very qualified people to explain those issues to you. I know that northern Ontario will be well represented here with respect to those details.

I want to speak to you about the one entity that tends to get lost in all this, and that's the people of northern Ontario.

Before I do, I'd like to maybe create a little bit of perspective. Canada is the second-largest land mass, the second-largest country, in the entire planet, but it has one of the smallest populations. Interestingly enough, the majority of our population exists 100 kilometres from the US border. There are still 5,000 kilometres of Canada to the north; there are still 5,000 kilometres of Canada to the east and west.

We have very structured cultural regions in Canada because of this dynamic. You have the Maritimes, you have Quebec, you have southern Ontario, you have northern Ontario, you have the Prairies, you have Alberta even starting to carve out a little bit of a niche for themselves, and you have British Columbia—all of which have their own cultural values, all of which have their own dialects and language and all of which are a people and a race amongst themselves. That's the unique dynamic that exists in Canada.

If we hone in specifically on Ontario, 90% of the provincial land mass exists north of Highway 17—one of

the smallest parts of the population, mind you, but 90% of the provincial land mass. In that land mass, interestingly enough, it's only 100 years old—it's only been forged in northern Ontario, if you can believe it, for 100 years. That's it. We've got one generation that has expanded this frontier.

Today, because of a lot of the austerity measures, some good, some questionable—and I think that's what this panel is here to do, to debate which ones are which—we are now looking at the slashing and burning of 90% of the provincial land mass. The austerity measures that are taking place—again, some good, some questionable—need to be put into perspective.

First off, we have 90% of the provincial land mass north of Highway 17; we have a vast amount of Ontario that still needs to be realized. We're only 100 years into this project, yet Ontario is struggling now to regain its economic strength, regain its economic stature and position in the country. The dynamic that we have here, though, is that you have 90% of the provincial land mass with vastly untapped natural resources, vastly untapped economic potential—is there a bottle of water? I'm a little under the weather here this morning; I apologize. Thanks, Gilles.

There's vastly untapped economic potential that exists in 90% of our provincial land mass. We don't need to be slashing away and taking away the opportunities for realizing that potential.

One of those opportunities you've heard of already, which is the rail network in northern Ontario. We can argue, certainly, about the dynamics around that rail and what works and what doesn't work. We can certainly agree that everything can be fine-tuned and everything can be structured to work properly and work better. But we can't argue that we take 90% of the provincial land mass and we reduce it down to a 1930s form of transportation, which is buses, and think that we're going to realize the vast potential in northern Ontario.

The fact is, rail is a key part of any growing and developing nation. Brazil is a Third World country, or considered a Third World country, and they have just invested in 10,000 more kilometres of rail in their country. They get it, and so do most of the European countries that have the mass to get it.

The ONTC is a key part of northern Ontario. The savings to the government, when you take away all the smoke and mirrors and look at the real numbers that are on the table, are \$24 million a year. That's the amount of money the province will save by divesting the ONTC. At the same time, what it does is it reduces northern Ontario to the 1930s form of transportation I spoke to earlier and takes away our opportunity as regional leaders to grow and develop and build and continue to forge this vast part of our province and make this a key piece of the strengthening of Ontario, not the de-strengthening of Ontario. At the same time, that \$24 million is a pittance when you look at the deficit in the province overall.

If you want a little more perspective, we have parks that have all been shut down on us here in northern On-

tario as well. The savings in parks in this area was \$75,000—\$75,000—and people in northern Ontario can now not visit their own parks. We can't go out and set up camps on lakes. We can't get an LUP to do any type of recreation on the lakes. We can't even go to our parks; we're stuck in our urban centres. We live in this part of the country because we enjoy this part of the country, but we can no longer go and enjoy it.

These are the types of linear fiscal decisions that are being made that completely ignore the dynamic that exists here in northern Ontario—and Canada, for that matter, the Canadian way of life, which is a rural way of life. There are 144 municipalities in northeastern Ontario, 126 of them with 3,000 people or less. It's a rural way of life, and I'll suggest to you, very politely and very humbly, that it's a Canadian way of life.

When you get away from that 100-kilometre band from the US border, there's a whole country out here, struggling to remain and to keep intact our identity as a people and our identity as a race and our key piece and factor that we play into the Canadian identity as a whole.

If I can go into the weeds a little bit on one issue, I'll come back and I'll ask a specific question. I'll ask it rhetorically, considering the format.

Policing costs have become a very hard challenge for all Ontarians, let alone northern Ontarians. In my community, 50% of every tax dollar we collect goes to policing and policing alone. A contract service with the province that we have no alternative contract service for—50 cents of every tax dollar. It was 25 cents of every tax dollar five years ago; it was one third of that amount seven years ago. The doubling and almost tripling now of policing costs in a community whose crime rate is half the provincial rate is unmanageable for a municipality, and we have to get this under control.

We have to recognize at the end of the day that policing is a provincial service that should be provided by the province. When a municipality decides to go on their own and they have the mass to pay for it on their own, that's an option they have. But when they don't—126 municipalities, 3,000 people or less, who have no way of policing themselves other than with the provincial service. When that provincial service costs 50 cents of every tax dollar, there's a problem. When it's doubling, there's a problem.

But the perspective really comes from the fact that all civil costs are becoming out of control. You have whole cities in the US that are going bankrupt. You have the UK passing extraordinary legislation to get these costs under control. In our province, for some reason, our government has come out and said that they want to have the highest-paid police force in the country. Now there's an 8.5% raise on the table for this force that has already almost tripled in our community.

Our community is on the outside array, if you will. If you look at the average in Ontario, the average cost of every municipality divided into the cost of the OPP is \$350 a household, but the average cost that's being deployed is around \$600 a household.

When you look at that cost and what we're doing, and you realize that that 8.5% plus a 2% or 2.5% cost-of-living subsidy is going to cost Ontarians \$100 million, and it's going to cost rural Ontarians \$35 million, and you're coming to northern Ontario and you're slashing and gutting and burning every opportunity we have to grow and build our region, and you look at the ONTC at \$24 million—how do you look an entire race of people in the eye and tell them, “We need that \$24 million so bad, we're going to sacrifice who you are as a people, but you're going to pay \$35 million so we can have the highest-paid police force in the country”?

Folks, that's the perspective I wanted to leave here today. That's the perspective you, as a budgetary committee, need to understand. We've lost touch with the vast majority of the geographic region of this country and of this province in particular, and we need to get that touch back in focus, because a people, a way of life, a whole race, is at stake.

As a leader of this region, I'm very proud of northern Ontario. I can tell you that with 90% of the provincial land mass, we should be working on plans to develop that 90% of the provincial land mass to make Ontario's economy strong, to continue to build in Ontario. You can't ignore the biggest part of your backyard, that has most of your resources in it, while you're talking about: “How do we rebuild our economy?” All you have to do is look past the rose-coloured eyeglasses people have in the south and realize that northern Ontario is a key part of where we are, a key part of where we're going, and right now it's in jeopardy because we're not keeping that perspective.

Thank you.

The Chair (Mr. Kevin Daniel Flynn): Thank you very much, Peter. You've left some time for questions. The questions will be in about the six minutes you've left. It goes to the Liberals. Dipika?

Ms. Dipika Damerla: Thank you so much, Peter, for that very eloquent and very passionate brief.

Mr. Peter Politis: Thank you.

Ms. Dipika Damerla: I do want to say that I hear you about northern Ontario, but I also want to echo the fact that we are all Ontarians and we are all in this together. Premier Wynne has clearly said that northern Ontario is going to be a priority for her, and she has taken some very important symbolic steps, I think, to demonstrate that, including the fact that we are here today. So I just want you to know that.

I had a couple of questions. One is on the policing costs. I'm assuming that this is a result of interest arbitration?

Mr. Peter Politis: Sorry?

Ms. Dipika Damerla: The reason your policing costs are going up: Is this because of interest arbitration settlements?

Mr. Peter Politis: I would say that that's probably a good estimate. Some 85% of the costs of policing are labour costs. Only 15%—if you can believe it, with the

very highly technical force that the police are—is attributed to the rest of the expenses.

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Ms. Dipika Damerla: So my follow-up question is this: In the last budget, as you know, the provincial government tried to introduce some structural changes to the interest arbitration process to make it more affordable for municipalities. I just wanted your thoughts on it.

Mr. Peter Politis: I think the efforts of the government are obviously visible, and we appreciate every effort that the government puts forward, but as I said to you, only 15% of the cost exists outside of labour. If we can park labour for just a second, even if we saved 2%, 3% or 4% of that 15%, we're nowhere near the ballpark of helping municipalities get past this issue.

The bigger part of the problem, to me, is where labour costs are and the fact that this large, vast, complicated province we have isn't the same. Policing in Cochrane obviously isn't the same as policing in Toronto, yet when Toronto raised the rates to keep people in Toronto because they were losing them to rural municipalities, because they were having a cheaper cost of living, Cochrane ended up paying the same price, and most municipalities are the same way.

I'll suggest to you, very politely, that the solution lies in legislation and policy. The solution lies in recognizing that if the municipalities are going to share the burden in cost, if the municipalities are going to go out and actually collect all the costs, they need to have a share in the accountability for those costs. Right now the municipalities have zero ability to take accountability back to the taxpayer, because the decisions are made by the province.

We look at it in one of two ways: Either we roll up our sleeves and we work out a partnership where we're sharing accountability, we're making decisions, and municipalities have some control over those costs, or the province just takes it completely out of the municipal tax levy altogether, like education. If they want to maintain control of all the standards and they want to maintain control of the whole service, then the province needs to go to the door and collect the pay for their own service, not use the municipality to go get their black eye while we take away from infrastructure which we can no longer afford to build in our community—and our community is one of the most robust, vibrant communities in northern Ontario right now. We take away from seniors, we take away from recreation, we take away from all the needs in the municipality because we're subsidizing this cost while we have no control over that accountability.

Ms. Dipika Damerla: Okay. I just wanted to also touch on ONTC, because you spoke to that quite a bit. I'm asking, just out of curiosity, not so much about the \$24 million that's going to be saved, but there are two parts to the train. One is the commercial side and one is, of course, passengers like you and me. Do you think the industry here would be willing to pay the full price to use—if we were to have the trains, as opposed to the provincial subsidy?

Mr. Peter Politis: That's an interesting question. First, I don't know if we ask the trucking and transportation companies to pay for building the highways they ride on. The other is, when I spoke to the vast territories we have, one of the points I was hoping to make with the committee was that there is an expense to that. That's the dynamic Canada has. We don't have the density and population to look at things from a mass perspective.

If we're going to build northern Ontario, if we're going to forge and realize all those opportunities, we need to invest in infrastructure like we did in highways. We need to invest in rail. We need to invest in other forms of transportation. Right now, the government is divesting from the passenger service itself, leaving people on a bus. I can tell you from first-hand experience that there are people standing on buses now. There are people going to medical appointments 12 to 14 hours away standing on a bus. I don't know what standard Ontario is trying to set for itself; I'm not sure that's the one.

From an industrial standpoint, this is the thin end of the wedge. If we can start justifying that at this point in the game, then later on down the road, the industry is going to lose its grip on the rail as well. I can tell you, the industry in this part of the region are completely concerned about the divestment of the ONTC. They're realizing higher rates now, because of the monopoly that's being created. All I'm going to suggest to you, very politely, is that we need to step back. We need to recognize that we're still building a country; we're still forging a country. We're only 100 years into this process. We need to be building and accessing the biggest part of our backyard so that all of Ontario can get back to where it used to be and be that strong, vibrant engine for the rest of Canada. It's there. All we're doing is turning a blind eye to it, and we're sacrificing a people in the process.

Ms. Dipika Damerla: Well, thank you very much. I'll take back your comments.

Mr. Peter Politis: You're welcome.

The Chair (Mr. Kevin Daniel Flynn): Any other questions? We have about 40 seconds left.

Mr. Joe Dickson: I have a question. Peter, were you at ROMA?

Mr. Peter Politis: I was.

Mr. Joe Dickson: Did you speak to MNR?

Mr. Peter Politis: I did.

Mr. Joe Dickson: Was I in the chair?

Mr. Peter Politis: I can't remember.

Mr. Joe Dickson: You look familiar to me—

Mr. Peter Politis: I do?

Mr. Joe Dickson: —and I think I heard part of this speech there. Anyways, it was positive. Thank you.

A quick question: At MNR and at ROMA, where we had 50 delegations, primarily from northeastern Ontario and northern Ontario, the positive of the delegations was virtually 100%. They all had some little points they wanted to make, good municipal points, and I've been there at the municipal level for 25 years, so I understand.

Question: If everything is so bad—I hear nothing but positive from the other mayors, whether it's sawmills or

forestry or anything; there's a very positive feeling that it's all on the road to recovery, yet everybody still wanted money in the midst of the world's worst recession in 80 years. Do you see a slowdown of that from your end?

Mr. Peter Politis: I would just very humbly disagree with you that it's very positive throughout the region. What you're seeing are leaders being leaders, trying to make something out of what they have. We can go on for another 15, 20, 30 minutes talking about the impacts if you wanted to.

The Chair (Mr. Kevin Daniel Flynn): Actually, we can't, but if you could just summarize, Peter—

Mr. Peter Politis: I will summarize really quickly, simply by saying that the MNR has done some very good things in the province. We have some of the most world-renowned forests for the environmental EAs they go through. The MNR is starting to dip its toe in some very scary areas that we could talk about if you ever get an opportunity.

But this recovery in forestry, which is going to bring jobs to Quebec and Ontario because British Columbia can no longer bring it there—in Ontario, those jobs right now are standing to be lost to Quebec because we're capping the volumes in Ontario when we should be building and increasing the amount of access to the forest industry when it's turning around. If you'd like, I could chat with you some time when we get an opportunity. I'd love to share my thoughts with you.

Mr. Joe Dickson: I think I'd like a copy of your speech.

The Chair (Mr. Kevin Daniel Flynn): Perhaps you can chat right now and we can go on to the next delegation, but thank you very much. That's really wonderful.

Mr. Peter Politis: Thank you very much, folks.

UNITED STEELWORKERS

The Chair (Mr. Kevin Daniel Flynn): The United Steelworkers are next. Is John Stevens with us? John, come forward; make yourself comfortable.

Mr. John Stevens: I have with me today Patrick Veinot.

The Chair (Mr. Kevin Daniel Flynn): Greetings, Patrick. John, you've got 15 minutes, like everybody else. Use that any way you see fit. Questioning this time goes to the PCs. It's all yours.

Mr. John Stevens: Good morning. I'm John Stevens. I'm a staff representative with the Steelworkers from the Canadian national office. With me this morning is Patrick Veinot. Patrick is a staff representative, also from the national office. I was born and raised in Timmins, and Patrick was born and raised in Kirkland Lake. The two of us come from the north and do most of our business in the north.

Patrick will read the main brief. We presented this one year ago and we're going to re-present because the conditions still exist. Unlike the other presenters this morning, we're trying to present a solution. Instead of asking

for money, more funding, we want you to have a better way to collect monies. All we would like is for you to give a few minutes of consideration to this idea.

Patrick?

Mr. Patrick Veinot: Thanks, John. As John said, my name is Patrick Veinot, and I was born and raised in Kirkland Lake. I spent 23 years at Inco, now unfortunately Vale. I'm going to read this through to you.

Ontario is not always considered a resource-rich province. Certainly, it does not have a large oil and gas industry. However, Ontario has the most valuable mineral production of any Canadian province or territory. In 2010, the most recent year for which statistics are available at the time of this presentation, nearly \$8 billion of minerals were extracted from Ontario, including \$2 billion of gold, \$1 billion of copper and \$1 billion of nickel. These resources belong to the people of Ontario. They should be a major source of provincial revenue.

However, mineral revenues do not even appear in the provincial budget. The Ontario mining tax is rolled into a residual category called "other taxes." A report prepared for the Mining Association of Canada reveals that Ontario's mining tax revenues were \$82 million in 2010. Natural Resources Canada reports that miners extracted almost \$8 billion of minerals from our province that year. In other words, the mining industry's own figures show that it paid the province little more than 1% of the value of the minerals extracted from Ontario. That's the lowest rate of return of any of Canada's major mining jurisdictions. Please see the table that John will go through later.

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It's important to note that Saskatchewan, the Northwest Territories, British Columbia, Quebec and Newfoundland and Labrador all collect more mining revenue than Ontario, even though none of those jurisdictions produce as much mining output as Ontario. Why do we collect such a poor return on our non-renewable resources? That's a good question.

One problem has been cuts in the mining tax rate. Between 2000 and 2004, the provincial government slashed this rate from 20% to 10% of profits for non-remote mines and to only 5% of profits for remote mines. By contrast, Quebec raised its mining tax rate from 12% in 2010 to 16% this year. Manitoba, our other neighbouring province, has a sliding scale ranging from 10% to 17% of mine profits. Almost all other provinces also levy higher statutory rates than Ontario. There is clearly room to increase Ontario's mining tax rate.

However, this rate is paid on only a fraction of mine profits. First, many non-metallic minerals extracted from quarries are excluded from the mining tax altogether. Second, those mines that are subject to the act can claim many deductions and writeoffs. In 2007, the Ontario government introduced a diamond royalty of up to 13%, somewhat higher than the mining tax rate, but at least until recently—and I don't know if that has changed today—De Beers was not actually paying any royalty on its mine near Attawapiskat. Very interesting.

Well-targeted incentives to promote new investment, hiring and training may be warranted—well, they are—but the Ontario government should thoroughly review its mining tax and diamond royalty structures with a view to closing loopholes that do not effectively serve these purposes.

I hope that the Commission on Quality Public Services and Tax Fairness can help kick off a long-overdue public debate about how Ontarians can collect a fair share of our mineral wealth. Just collecting the same modest share as Quebec, BC or Saskatchewan would give Ontario hundreds of millions of additional dollars to address public priorities.

Of course, mining companies would respond that they also pay corporate income tax in addition to the mining tax or diamond royalty. However, all industries in all provinces are subject to corporate tax, regardless of whether they extract non-renewable resources. Corporate tax does not compensate the people of Ontario for their resources. In fact, resource companies in Ontario enjoy a unique corporate tax break. The federal government and all other provincial and territorial governments allow them to deduct mining tax and royalty payments from profits in calculating corporate income tax. Ontario instead allows them to deduct a more generous resource allowance equal to 25% of profits. After subtracting this allowance, Ontario's corporate tax rate for resource companies is the lowest in Canada.

I also wish to discuss corporate taxes more broadly. The Ontario government is in the process of cutting its general corporate tax rate from 14% to 10%, at an annual cost of about \$2 billion in lost provincial revenue. Ontario already has a 10% provincial corporate tax rate for manufacturing and processing. At issue is the general rate for banks, private utilities and large insurance, construction and service companies. Unlike manufacturers producing for export, such companies must generally be located in the same place as their customers, yet they supposedly need lower corporate taxes to be internationally competitive.

The federal corporate tax rate fell to 15% this year. If Ontario restored a 14% provincial tax rate, the combined rate would be 29%. By comparison, the US government levies a 35% federal corporate tax. American companies pay this rate, minus corporate taxes already paid in Ontario, on profits repatriated from here to the US. Cutting Ontario's combined rate further below 35% simply causes American-owned businesses in our province to pay more tax to Washington.

American state governments also levy corporate taxes, producing combined rates around 40% in the Great Lakes states. A 29% combined rate would keep Ontario at the low end of the world's other major economies: Japan is 40%; Brazil is 34%; India is 34%; France is 33%; Italy is 31%; and Germany is 29%.

What about competition within Canada? When Ontario's 2009 budget proposed a 10% provincial corporate tax rate by 2013, other provinces may have been heading in that direction, but things have changed. In British

Columbia, both the government and its official opposition have proposed increasing the provincial rate to 12%. Outside of Ontario, the only provinces at 10% will be Alberta and New Brunswick. All other provinces are maintaining rates between 12% and 16%.

Anyway, businesses can't just avoid Ontario corporate tax by reporting profits in lower-tax provinces. The Canada Revenue Agency allocates each company's taxable Canadian profits among provinces based on the actual location of its sales and employees.

Advocates of corporate tax cuts also claim that they will spur job-creating investment. In reality, and we've heard that, corporate tax rates have very little effect on investment decisions, and that's a fact. A company will borrow money to finance new investment only if it expects an investment return at least equal to the interest rate. Since interest payments are deductible in calculating taxable profits, corporate tax applies only to profits in excess of this minimum return needed to justify the investment.

Similarly, a company will issue shares to finance investment only if it expects a return greater than any dividends due on the new shares. Federal and provincial dividend tax credits refund corporate tax on profits paid out as dividends to Canadian shareholders. Corporate taxes only skim off revenue above this threshold. Therefore, corporate taxes have no effect on investment financed by debt or Canadian equity. As noted above, cutting the federal-Ontario rate further below the US rate does not affect investment from American corporations.

The past decade of corporate tax cuts has been unimpressive. The combined federal-Ontario rate was slashed from 45% in 1999 to 28% per cent in 2011. Over the same period, investment in machinery and equipment declined from 8.3% to 6% of the province's gross domestic product. Think about that.

Rather than investing in productive assets, corporate Canada has been accumulating record amounts of cash. Statistics Canada reports that private non-financial corporations now hold \$512 billion in cash, and I'm willing to bet that's even higher today. There is no reason to expect that giving them more cash through further no-strings-attached tax breaks would boost investment and employment. In fact, that's not what we've seen. A far cheaper and more effective approach would be to provide incentives directly tied to new investment and hiring. Increased corporate tax revenue should also fund public investment, which can help offset the lack of private investment.

Improved provincial infrastructure would attract private capital, as we have heard today. Statistics Canada concludes that between 1962 and 2006, roughly one half of the total growth of multifactor productivity in the private sector was the result of growth in public infrastructure.

The evidence does not support claims that Ontario must cut corporate taxes to compete. On the contrary, modestly increasing the general corporate tax rate and using the proceeds to fund targeted tax credits and public

investment would strengthen our economy and create jobs.

Now John's going to go through the "Ontario's mining tax barely scratches the surface" page. That's the next page.

Mr. John Stevens: How much time do we have left?

The Chair (Mr. Kevin Daniel Flynn): About three minutes.

Mr. John Stevens: About three minutes? Okay, well, I'm going to just point out the table then. For the Conservatives at the table, we checked yesterday: Alberta still takes 1.5%. They take more than Ontario, and 0.4% would be a 38% increase in revenues on the \$82 million, based on 2010. I'm sure our production has increased since that point, but it would be an increase of 38% on \$82 million. Just that alone could pay for a lot of hay for Premier Wynne's horse racing adventures, and maybe leave some money for education for Northern College.

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We have to look at alternatives to increasing revenue. You can't just cut. Twenty years of cuts: That's what we've all been through. Twenty years, and is there an end? Is the future a cardboard box for a worker outside the gate, like Mexico? Is that our future? Because if it is, you should be honest and tell us now. Thank you.

The Chair (Mr. Kevin Daniel Flynn): Thank you. Is that the whole presentation, Patrick and John?

Mr. John Stevens: Yes. "The Norway Advantage" was put there just for something to read about how you could have started this 40 years ago. I don't think we could put this in place today.

The Chair (Mr. Kevin Daniel Flynn): We have time for one brief question, coming from the PCs. Peter?

Mr. Peter Shurman: I guess we're not going to talk about corporate tax rates, so I'll ask you to tell me a little bit more—in the 60 seconds or so that we have left—of your understanding as to why the mining tax hasn't been increased over the course of the past 10 years, given what you say.

Mr. John Stevens: I think the oligarchy on Bay Street has complete control over the government of Ontario.

Mr. Peter Shurman: The Liberal government of Ontario?

Mr. John Stevens: Well, I would say the Liberal government, or you can flip the coin and it's a Conservative government.

Interjection.

Mr. Peter Shurman: We haven't been in power for 10 years.

Mr. John Stevens: I'm only saying, you can flip the coin. You still have that in the federals, and the federal government is the same mantra. It seems to be that corporate Canada controls the agenda of the government. Let's face it. Today, all you heard from the chamber of commerce was, "Give us more tax money, and we don't want to pay any more tax money." That's a system that doesn't—

Mr. Peter Shurman: I've got to tell you, I don't know what it is, because the television commercials sug-

gest that we're controlled by corporate Canada, but we don't have any opportunity to set taxes. Are they controlled by corporate Canada too? I guess. Thank you, sir.

The Chair (Mr. Kevin Daniel Flynn): Thank you very much for coming today, John and Patrick.

Mr. John Stevens: I guess I don't need to respond. It's a PC.

The Chair (Mr. Kevin Daniel Flynn): Good presentation. It was listened to. I'm sure there will be some disagreements around the table, and we'll leave it at that. But thank you very much for coming today. It was appreciated.

Mr. John Stevens: Thank you.

Mr. Patrick Veinot: Thank you.

The Chair (Mr. Kevin Daniel Flynn): Is anybody here from the municipality of Moonbeam?

Mr. Gilles Bisson: Point of order: Moonbeam, unfortunately, can't be here because highways are closed again due to poor winter road maintenance. So they will not be able to be here, and I give my apologies on behalf of the town of Moonbeam.

The Chair (Mr. Kevin Daniel Flynn): Okay. Who was coming on their behalf?

Mr. Gilles Bisson: Anybody who's not affected by a highway closure who happens to be on the other side of Moonbeam.

The Chair (Mr. Kevin Daniel Flynn): As you look ahead to the agenda, anybody else stuck on the highway?

Mr. Gilles Bisson: So far, I believe—

Interjection.

Mr. Gilles Bisson: Timmins is here. I see the mayor walked in also.

The Chair (Mr. Kevin Daniel Flynn): Yes. The city of Timmins is here.

Mr. Gilles Bisson: The Timmins Economic Development Corp. should be here as well, I think. Yes; right there.

The Chair (Mr. Kevin Daniel Flynn): So there's nobody on the other side of the—

Mr. Gilles Bisson: No, because they live in Timmins. See, that's a municipal road. Mayor Tom does a great job.

The Chair (Mr. Kevin Daniel Flynn): I came in on the municipal road yesterday from the airport. I followed a municipal bus.

TIMMINS ECONOMIC DEVELOPMENT CORP.

The Chair (Mr. Kevin Daniel Flynn): The next person we're going to hear from today is from the Timmins Economic Development Corp.—Christy Marinig.

Ms. Christy Marinig: Good morning, everyone.

The Chair (Mr. Kevin Daniel Flynn): Make yourself comfortable, Christy. You've got 15 minutes. Use it any way you like. If you want to leave some time at the end for questions, that's great. The questioning this time will go to the NDP.

Ms. Christy Marinig: Okay. Good morning, everyone, and thank you for coming to Timmins. I really appreciate your efforts to come here and hear our thoughts. Unfortunately, I have a terrible cold, so my speaking voice is a little off, but I'll start off.

The Timmins Economic Development Corp. would like to applaud the Ministry of Finance for allowing the Ontario Lottery and Gaming Corp. to move forward with their land-based gaming modernization plan. However, we are deeply disappointed and concerned that Timmins was not considered as an area or zone in which a casino could locate. At this time, the Minister of Finance has only approved 29 zones in the province.

Timmins is a regional centre in northeastern Ontario. We are home to approximately 43,000 residents and service a regional population of approximately 116,000 people. Timmins recently completed a strategic plan entitled Timmins Vision 20/20, and attracting a casino was a business idea expressed in the document. City council passed a unanimous resolution on May 23, 2012, stating that Timmins would like to be considered as one of the zones. We have demonstrated that we are a willing host community, and have expressed that interest since 1996.

The five major centres in northern Ontario are Sudbury, Thunder Bay, Sault Ste. Marie, North Bay and Timmins. Not only is our community the only of these five excluded from the gaming zone, but Kenora, a city with a fraction of Timmins's population, was included. We do understand that Kenora does have cottagers and visitors, but Timmins holds considerable appeal for that as well.

The northern Ontario growth plan, as created by the province, stresses that the province should assist in the development of the five major centres; however, in this case, the province has instead created a barrier for development. Even though the private sector has expressed an interest in developing in our marketplace, the province has put obstacles in our way. As a willing host, we do not see this as a fair and transparent process. If there is a business case, we should also be allowed to work with the private sector to create a venue in our community.

We believe that by excluding Timmins, the OLG is missing out on a prime opportunity to expand their customer base and provide entertainment, employment, assessment, investment and revenue to a willing and viable community. We believe that this position will also lessen the profits that will be shared with the province.

Based on data obtained from PC Census, Timmins residents spend approximately \$459 per household on games of chance every year. Please note that this is the highest in any northern community out of the five major centres. This is probably because Timmins also has the second-highest household incomes in the north, due to the mining and forestry jobs that we do have.

Timmins would also strongly benefit from the \$92 million that was shared with host communities last year in terms of revenue. We recently lost one of our largest

employers, being Xstrata, moving their metallurgical facilities to Quebec to process ore. As a result, we've lost \$3.5 million in annual assessments. Finding diversification and new opportunities is good for us.

With little more than an hour drive separating North Bay and Sudbury, those two zones are very close together, and there's a risk that they could cannibalize each other. We have a different market with a large enough local, regional and visitor base to sustain a smaller casino. The OLG has stated that the one-hour drive from Toronto to an existing casino site in Ontario is not meeting consumer needs. We would appreciate the same consideration in northern Ontario. As it stands, someone from Timmins would need to drive at least four hours to be able to play a table game or slot. If the goal is to increase the number of moderate players to generate revenue, sites need to be located in regional centres or densely populated areas.

For some, gaming can be considered a form of taxation, and when implementing a tax, there are some key factors to take into account, such as: equity—all economies should be treated fairly; efficiency—it must generate revenue without a significant impact on the demand for a good or service, so again the cannibalization, and you have to be careful; simplicity; and the effective stimulus to growth underlying the stimulating growth factors. That's very important to our economy. Obviously, at this point in time, we do have the private sector willing to invest, and invest a considerable amount, in our community to help with diversification, yet we are not permitted to move forward with that plan.

I have some other notes on this particular thing, but we do hope that the government will reconsider the zone limitations and, again, allow us to compete fairly for private sector dollars.

The other key factors I just want to highlight—I know we don't have a lot of time left—

The Chair (Mr. Kevin Daniel Flynn): You've got about 10 minutes. You're doing great.

Ms. Christy Marinig: Oh, okay. There you go.

Again, high energy prices: high energy prices relative to neighbouring provinces such as Manitoba and Quebec continue to adversely affect our resource-based industries.

Claude Ferron, the president of the former Xstrata Kidd metallurgical site in Timmins, once said, "Energy has surpassed labour as the major cost at the site. Rising energy costs are squeezing the company's margins. If we moved to Manitoba, we could drop our costs by \$20 million per year." That was a foreshadowing prior to their closure. They definitely made it known that energy rates are a problem in the province of Ontario, especially when you're competing for investment. And you're not competing for investment just in one community; you're competing globally for that investment. So not only are you trying to get them in Ontario, you're trying to get them within Ontario communities. It's very, very important to keep that in mind.

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It was not long after these comments were made that Xstrata decided to close their metallurgical facility in Timmins and send the ore to Quebec for processing. As a result, 678 direct jobs were lost and another 2,034 jobs were impacted in the region.

The price of electricity is largely an outcome of electricity policy that is under direct government control. Through this control, government directly affects the standard of living in the province. It needs to be recognized that rising energy costs are affecting industrial, commercial, small business and residential users in Ontario, and especially in northern Ontario, where a lot of the industries have large electrical needs.

Energy rates in Ontario are among the highest in North America. Competitive pricing is the key to retaining business in northern Ontario and attracting new businesses to our area. The need for an energy policy that can be used as an economic stimulus and not a deterrent is something that should be looked at.

In the States, New York City and New York state have a thing called electricity for jobs. What they do is they change electricity rates for job creation. It is something that perhaps the province can look at.

Fixed pricing is a real solution. A regional fixed-pricing strategy would go a long way in ensuring the sustainability of northern industries.

I know a lot of recent energy movements have been to create green energy. However, there is an enormous cost to that energy that we are all paying. Again, that's something that's very important in the long haul.

There also needs to be a shift in the government's approach to transmission that would result in its being seen as essential infrastructure, similar to highways in that it is upgraded, expanded and maintained. Very little new major expansions or upgrading of the transmission system have been undertaken from the late 1980s until now in the north.

Transmission is very important, because if we generate hydroelectricity, we need to be able to bring that energy down to southern Ontario for use. Right now, the transmission capabilities are not allowing that to happen. Again, you have a supply of low-cost energy potential that you're not tapping into. That definitely is being used in Manitoba and Quebec to their advantage to attract industry.

The other point I'd like to highlight is infrastructure. We recommend that the province work with key stakeholders to establish an infrastructure renewal program in the north. When we talk about infrastructure, we're talking about roads, sewers. We're talking about the ONTC and the divestiture. We're talking about rails. We're talking about the dream that C.D. Howe once had, when he built the railroad across this nation—and what capabilities that has to open up new territory, new developments. Obviously, the Ring of Fire is one that's being discussed now in the courts, in terms of a road versus rail. Again, those things are extremely important

to the longevity of northern Ontario, but also this province as a whole.

With that, a unique infrastructure renewal program must be established, based on a guaranteed annual per capita allocation. There must be a minimum base level of funding for small and northern and rural communities. It is imperative.

Just as an example, in the next few years, the city of Timmins alone will need to spend approximately \$100 million on infrastructure. That's roads, and unfortunately, the connecting link is no longer going to be something that is discussed; it's being taken away. That's critical and imperative because our tax base alone cannot sustain the upgrades needed to that road.

We have sewer and water regulations that we need to meet—enormous costs. There's over \$100 million, just in our little community, that we see on the very near horizon that we need to allocate. Again, we believe that the province is important. We don't tax the mining companies who drive on our roads, for example, with their mining trucks. Those things do damage the roads. The province benefits from the revenues from the mines. We don't see a share of that.

Having that infrastructure renewal program is something that I think is really critical not only for northern communities but all communities in Ontario. In many instances, infrastructure is crumbling, and that is a key facet to economic development: ensuring the safety, security and longevity of people moving back and forth, and the shipment of goods.

Again, those are my key points. I know we had to keep it to about five minutes, so those are the key points I'm focusing on at this point, and I'd be happy to take any questions you have.

The Chair (Mr. Kevin Daniel Flynn): That's great, Christy. You did a great job. You left a little more than three minutes for questions. Gilles or Michael?

Mr. Michael Prue: I have a couple of questions. You haven't mentioned at all the ONTC. Talking about infrastructure, here's a railway that services the Timmins area and all of northeastern Ontario that's being yanked from out—what kind of economic impact is that having, or will it have, on the people of Timmins and area?

Ms. Christy Marinig: Well, certainly the freight is enormously important, because right now Xstrata relies on that freight taking their ore to Quebec. If that was closed or changed or altered, depending on what would happen, they could potentially close their mine site here as well, further impacting another approximately 700 direct jobs, plus the spinoffs due to that. It's very, very important that the ONTC issue be dealt with effectively.

The divestiture is very, very important to Timmins in the sense that we prefer that the government work with the communities to make something that's viable—not only just maintaining current levels of service, but looking at new ways of opening that to enhance freight rail, especially with the mining deposits that are in the Far North.

Mr. Michael Prue: You talked about electricity rates, but most of those electricity rates are impacted by very expensive electricity brought on by this government—things like paying 16 cents or 18 cents for solar and wind generation; that's what's causing the rates to go up. Are you suggesting that the government ought to use cheaper energy, such as hydro energy? There's some development right around here at this point.

Ms. Christy Marinig: Yes, I believe that hydro-electricity is a key facet that should be looked at. I know green energy is often something that everybody wants to be seen as doing. However, when there's a cost, and that cost is higher than the norm, I don't know if the citizens of this province would prefer to pay more money. I don't know if everybody understands the difference in the cost of producing that energy. It's a feel-good thing, but is it logical? Does it make sense? Does industry really want to pay more money? No, they want to look for the cheapest alternative, and that's where the jobs will go.

Mr. Michael Prue: Is there more time?

The Chair (Mr. Kevin Daniel Flynn): There's about a minute left, Michael.

Mr. Michael Prue: Okay. Go ahead.

Mr. Gilles Bisson: To close on that, because the other part of it is the green energy, but the other part—the Tories started the privatization and the deregulation of the hydro industry. The Liberals were opposed; they fast-tracked it. I just want to say it's a mixture of a whole bunch of things.

In regard to the infrastructure point—and I'm sure we're going to hear from other mayors about that—what do you suggest has to be done in order to have some sort of sustainable way of approaching our infrastructure investments over the years?

The Chair (Mr. Kevin Daniel Flynn): It'll have to be a quick answer, Christy.

Ms. Christy Marinig: Okay. Well, obviously, I think you need to work with the stakeholders, and it needs to be determined based on need. That need would be based on economic growth, safety and security, and having criteria on which to apply for. There should be a fund available that municipalities could simply apply for, making sure that checks and balances are there, but I think there needs to be an ongoing commitment and a realization that the infrastructure in this province needs upgrading and maintaining.

The Chair (Mr. Kevin Daniel Flynn): Very good. Thank you very much. Thanks for coming today. We appreciate it.

CITY OF TIMMINS

The Chair (Mr. Kevin Daniel Flynn): Our next presenter, after Christy vacates the chair, is Mayor Tom Laughren, mayor of Timmins. Your Worship, come forward and make yourself comfortable.

Mr. Tom Laughren: Good morning.

The Chair (Mr. Kevin Daniel Flynn): Good morning.

Mr. Tom Laughren: Welcome to Timmins—snowy Timmins—this morning.

The Chair (Mr. Kevin Daniel Flynn): It's a great place.

Mr. Tom Laughren: To be honest, I know you've probably got a few people who wanted to come down and couldn't because the highway is closed, so hopefully there's a method to accommodate them.

The Chair (Mr. Kevin Daniel Flynn): Yes, we accommodated some of them by phone this morning, so we were able to get, at least, to one of your colleagues in Kapuskasing. We were able to talk to Alan Spacek on the phone.

So, you've got 15 minutes, Mayor Laughren. You use that any way you see fit. If you want to leave some time at the end, the questions will come from the government side.

Mr. Tom Laughren: Perfect. Thank you very much.

Again, I want to start off by saying that the issues that are being presented, not only by myself but by others, are going to affect—no matter who the government is; if there's an election down the road, these issues don't mysteriously go away.

What we have done is we have put a pretty elaborate presentation in front of you guys this morning. Obviously, with 15 minutes, I'm not going to have an opportunity to go through all of it, but I want to basically touch on a few real key points for Timmins. My hope is that everybody will take the opportunity to go through our presentation, one that has been made to ministers, opposition leaders etc.

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The area that I really want to talk about this morning is, number one, from a Timmins perspective, infrastructure. Infrastructure challenges have been going on for years, but for us in Timmins, it really revolves around the water and sewer challenges.

Previous to Walkerton, we did not have a bad water sample; we didn't have a lot of challenges with our water plant. Because of Walkerton, we have probably spent in the last seven or eight years in the neighbourhood of \$50 million—with government help, and we thank the government for that—at our water plant.

What we are looking at, and the previous speaker talked about it, is between our sewer plant—we have a secondary sewage treatment plant that's going on right now. The tender went out for \$64 million, which is the largest tender ever awarded by the city of Timmins. Previous to that tender going out, we had approximately \$7 million in pre-work, such as engineering, ensuring that there was some upsizing of piping to be able to take in the new secondary sewage treatment plant. At the end of the day, we estimate that plant will be somewhere in the neighbourhood of \$80 million. Out of that \$80 million, right now, we have a commitment from the province and the feds for just under \$20 million each. But for a community of 45,000 people to be able to borrow or fund in an alternative way, which includes raising water and sewer rates—which I'm going to say have probably

gone up in this community somewhere between 600% and 700% over the last 10 years, and are projected to continue to go up. In many instances, people are paying as much for water and sewer now as they are spending on taxes. It's a huge challenge.

Factor that in with the fact that we assumed 87 kilometres of highway back in the late 1990s which was formerly provincial highway. Out of that 87 kilometres of highway, we managed to get 20 kilometres into a connecting link agreement with the government of the day. We pick up 100% of the maintenance costs on that 87 kilometres of highway. The 20 kilometres that run through the heart of our city, from the tracks in Porcupine to the turnoff at Kamiskotia, we had a connecting link agreement of 90-10 on the capital. Great agreement, but if you never get your 90 cents from the government, your 10 cents don't go very far. Now we are in a predicament where there's no longer a connecting link program. That was drastically underfunded to start, when you look at the different agreements that are throughout the province.

We estimate to do four kilometres through the heart of our city, which would be from the old former overpass where ONR went through to the brand new bridge at the Mattagami—we're estimating \$25 million to upgrade that road. The other 16 kilometres, we're estimating somewhere between \$15 million and \$20 million to bring those up to standard. I think if you look at the mining and forestry traffic that goes through the heart of our community—again, we cannot afford to do that without government help. By government help, I'm not only talking about the provincial government; I'm talking about the federal government.

When we look over the next 10 years, we are talking about a shortfall in infrastructure just for sewer and connecting link of almost \$100 million. That's a huge challenge. Again, if governments continue to back away from the water and sewer side of it—because you've got to remember that the legislation was implemented by the provincial government. It was implemented with a promise to be able to participate. When I go and meet with cabinet ministers, and they tell me, "There's no money; you'd better borrow," I think we need to sit and have a chat. Infrastructure's a huge challenge for us.

Again, there's more on the infrastructure in the package. There are presentations that we made to Minister Murray and to Minister Gravelle.

The next issue I want to just briefly talk about is the Ontario Northland. The previous speaker did talk about it, and there were a couple of questions related to the Ontario Northland. I'm going to be very blunt. What you guys need to do is, you need to go back to the people who enacted this legislation and say, "What are we saving here?" Because I'm going to tell you, there's a study that ministers have that was put together by four companies that use Ontario Northland. If there's a change in Ontario Northland in the rate structure or in the service structure, we're talking about 3,900 job losses in northeastern Ontario.

The dialogue that took place—which was none with municipalities, which was none with industry—you put the northeast in a huge challenge, when it comes to economic development to be able to attract new people.

Agriculture is something that is huge, really. When you start looking at New Liskeard north, the opportunities—there's a Mennonite group that just bought well over 20,000 acres in Matheson; for them to do commercialized farming, they need rail. There has been no discussion.

What I think your group especially needs to do—because this is, again, an all-party group—is go back and say, "What are we actually saving here?" And go back and challenge this \$400 per passenger. Passenger rail has been gone now since last fall, but I'm going to tell you right now, if private industry comes in and takes it over and either ups rates or looks at excluding different areas of service, northeastern Ontario will not survive.

This is one of the worst decisions, with no dialogue, that has ever been made. I can't say it any blunter than that. When you start thinking about transportation, a lot of people don't recognize—because I sit as vice-chair of FONOM and I'm the chair of NEOMA—we do not realize that there were two transportation studies going on in Ontario—two. We recognize the one that went with the northern growth plan, which again we have had no involvement with, and there was previously one that was started by the federal and provincial governments that we only found out about last August. It has been in existence for five years. And how can you be having two transportation studies going on?

Rail, which is your most important—thinking about the Ring of Fire; if anybody's thinking about trucking ore from the Ring of Fire, you've got to have your head read. You're talking \$1.5 billion to put a rail in; \$1 billion to put a road in. You're talking \$10 a tonne by train; \$60 a tonne by truck. Think about a government that prides itself on being green. Just think about that. So I'm going to leave you with the Ontario Northland, but that's a huge issue.

The next one I want to talk about very quickly is parks. There was a decision made to close 10 parks in northeastern Ontario. FONOM was very successful in getting the government—and I thank Minister Gravelle—in relooking at three parks. The caveat to that was being attached to a municipality.

In Timmins, we're attached to Ivanhoe provincial park, which is 120 kilometres outside of our boundaries. Ivanhoe provincial park was losing in excess of \$100,000 per year—not the worst park in Ontario—but by working with the government, by working with the municipality, by working with the users, we've taken that \$100,000-plus deficit down to \$2,800. That's the projected deficit; that's by working together. But do you think it's fair that the city of Timmins—who garners nothing from this—if there is a shortfall, will have to pay \$2,800, but if there's a surplus, the government keeps it? My suggestion to you, as a finance committee here of all parties, would be to look at the template that was created for Ivanhoe,

Fushimi and Greenwater provincial parks, and say, “Why can’t we?”—

Mr. Gilles Bisson: René Brunelle.

Mr. Tom Laughren: —or René Brunelle, sorry. “Why can’t we look at that type of model for all our provincial parks, if we’re really serious about saving money, if we’re really serious about reducing the deficit?”

The city of Timmins, the town of Hearst, the town of Moonbeam have done a great job in working with the government, and we thank the government for that. But let’s take a look and say, “You know what, guys? You don’t deserve to have to pay for a shortfall, if it does occur, especially looking at the changes that we have made.” And they’re very simple changes. To be very honest, the government didn’t look at all the changes that we suggested, either.

Mr. Gilles Bisson: They could’ve done it themselves.

Mr. Tom Laughren: You’re right; they could’ve done it themselves.

I’m not sure what I have left for time because I definitely want to leave time for questions.

The Chair (Mr. Kevin Daniel Flynn): You’ve got about five minutes left.

Mr. Tom Laughren: I quickly want to talk about the growth plan. The northern Ontario growth plan has been around—and it’s something that northern mayors have been very supportive of—and it was probably announced in 2006. There are many people who have worked very hard and diligently to put a template in front of the northern development and mines and infrastructure ministers, as it relates to northeastern and northwestern Ontario.

And they’re pilots. They may not be perfect. They may not be supported by everybody in northern Ontario, but they’re a template. To continue to sit back and not put anything forward from a government perspective as it relates to the growth plan is a great disservice to all those people. And they’re not just municipal people; they are people from business, they’re people from colleges and universities.

Again, there was great fanfare when we did the Golden Horseshoe plan and there was great fanfare back in 2006 when we started off and said the next one was going to be northern Ontario. But if nothing ever comes of it, it’s the same example as my connecting link. What benefit is that to northern Ontario, especially when you’re looking at regional economic development and regional transportation, which should include rail? Again, the growth plan is something that we support, something that we want to roll up our sleeves and work with you people on, but again, there’s got to be some movement by the government of the day to implement these two pilot projects, one in the northwest and one in the northeast.

I could talk about gaming. You just talked about that. I could talk about consultation on legislation. Energy is a huge issue. When you guys started thinking about the Ring of Fire—I talked about the transportation—if you go and actually meet with Cliffs, Noront or KWG,

they’re going to tell you their two biggest challenges are transportation and energy. And if anybody around this table thinks, based on our experience with Xstrata, that there’s going to be a smelter built in Ontario with the energy structure that we have in place today, then you’re seeing something that we, the rest of us, the leaders, don’t see.

So again, if we want this to happen—and this is a huge opportunity for the province, for the country, for northern Ontario, for First Nations—we need to sit down, roll up our sleeves, put the right tools in place.

I have lots more, but I will turn it over to you for questions.

The Chair (Mr. Kevin Daniel Flynn): That’s great. Thank you, Your Worship. We’ve got about two minutes left. To the government side. Dipika?

Ms. Dipika Damerla: Thank you so much, Mayor, for your fantastic presentation. I just had a couple of questions.

One was that I just heard something very interesting from the Steelworkers, where they talk about the fact that we have among the lowest tax rates for a mining company. On the other hand, I’m also hearing that our electricity prices, our energy prices, aren’t competitive. So I’m hearing two different stories. I just want a realistic answer from you in the sense that if you were a mining company, given that it appears that the taxation regime is very, very attractive in Ontario, that you get 25% off on the electricity rate, is northern Ontario competitive or not for mining companies, given this combination?

Mr. Tom Laughren: Mining companies, in my mind, are not competitive as it relates to energy. We are nowhere near—somebody would have to show me how we are competitive.

Ms. Dipika Damerla: Sorry. I mean, you take the entire environment, not just the electricity rate, but also the mining tax rate.

Mr. Tom Laughren: I’m going there, but I think when you look at energy rates and compare them with Manitoba and Quebec, our neighbours—

Ms. Dipika Damerla: Even after the 25% discount?

Mr. Tom Laughren: Well, again, it’s a very, very complicated formula, so there’s many—it’s the time of day, it’s hours without production, it’s new technology. So again, what we’ve suggested to the energy minister is, put something out that’s simple, like Quebec and Manitoba. Tell us what your rate per kilowatt hour is. How does it compare? We like some of the programs that have been put in place, but again, we do not feel—and if you talk to local industry, the large power producers, they’re going to tell you it’s nowhere near competitive. When Xstrata left Timmins, they left because they could save at least 50% on their energy bill, which was somewhere in the neighbourhood of \$40 million to \$50 million. When you look at the tax structure, again, what companies have done is they’ve taken advantage of MPAC. Large industrial companies continue, year after year, to appeal their assessment, and they’ve been successful, which again is another huge issue for northern municipalities

that in many cases were dependent on that revenue coming from taxation from our large industrial users.

I could give you examples locally. We had a company that was paying somewhere in the neighbourhood of about \$9 million before they closed and was down at the end of it to about \$6 million by continuously appealing, getting their assessment level dropped on it. So that's where local mining companies have been successful.

From a provincial perspective, I think sometimes we don't recognize what mining and forestry mean to Ontario. I think we take it for granted. Walk down Bay Street and see the offices that are attracted to northern Ontario. So I think we need to make mining and forestry incentives competitive with other jurisdictions, but right now I don't feel we are.

The Chair (Mr. Kevin Daniel Flynn): Thank you for coming today. We really appreciate your presentation.

Mr. Tom Laughren: You're welcome. Thank you.

The Chair (Mr. Kevin Daniel Flynn): That is it. We are going to recess now until 1 o'clock. We'll be hearing from the Cochrane District Social Planning Council.

The committee recessed from 1134 to 1253.

COCHRANE DISTRICT SOCIAL PLANNING COUNCIL

The Chair (Mr. Kevin Daniel Flynn): Okay, ladies and gentlemen, if we could call to order again? We're a little bit early, but it looks like everybody is set to go in any event. One of these people is Roderick. Roderick, if you would introduce your colleagues? Everybody gets 15 minutes. You can use that any way you see fit. At the end of it all, if you would leave a little bit of time for questions, that's up to you, but it's preferred. The questioning will be done by the PCs. So, I'm just going to start the timer and turn it over to you.

Mr. Rod Ryner: Very good. Thank you. Honourable members of the finance and economic affairs committee, welcome to the Cochrane district, and thank you for hearing this pre-budget submission.

I am Rod Ryner, the regional coordinator for the Cochrane District Social Planning Council, and I come before you today as a social convenor to facilitate a message from community leaders providing direct services to the poorest citizens of our district.

Please let me introduce my colleagues. I'll just go across, starting from the far left with Richard Bouvier. He is the president of the South Porcupine Food Bank.

Next is Reverend Arlene Onuoha, who is a regional Presbyterian minister travelling around the district—Kapuskasing, Cochrane and Timmins—and is a member of a number of ministerial associations in the district.

Amber Elliott is the community food bank coordinator for the First Baptist Church, in Timmins, and is a board member of the Anti-Hunger Coalition Timmins.

Ed Ligocki, sitting beside me, is the executive director of the Good Samaritan Inn, which is an emergency shelter and part of the food bank system and a social enterprise.

Right beside me, on my right, is Darlene Sayers. She's the president of the Cochrane regional food bank as well as the city of Cochrane food bank and social enterprise.

Briefly, as an executive summary, I'm going to be articulating and describing a poverty paradox in our district. Ed Ligocki will be presenting seven recommendations for legislative and budgetary consideration that will help to resolve the social problem of the poverty paradox.

The poverty paradox in the Cochrane district, starting off with some numbers: In 2006, approximately 6,570 people were living below the after-tax, low-income cut-off—that's of course from StatsCan—in the Cochrane district. Though we don't have current low-income cut-off statistical information to describe what's actually occurring in the district now, there is evidence that poverty is remaining high in the midst of our economic boom.

This is the poverty paradox. Despite a booming economy, marked by labour market shortages that we hear about from the Far Northeast Training Board, a three-year decline in the Cochrane district social services administration board's Ontario Works expenditures, as reported in annual reports as well as from key informant reports indicating a steady decline in the number of Ontario Works clients, we continue to witness alarmingly high and increasing numbers of people seeking the services of our food banks and emergency shelter.

Key informant reports from service providers confirm that the rates of homelessness—found in 2011 and reported in the Homelessness in Timmins final report by Dr. Kauppi et al., from Laurentian University—remain high. At that time, Timmins recorded that 720 different individuals were homeless during the frigid January week of the study. That's a rate approximately double that of Sudbury, a community which is three times the size of Timmins.

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It's important to note that almost 50% of the homeless people in the study indicated the Ontario disability services program or Ontario Works as a source of income, while 56% indicated "problems with work," including low wages, as well as "problems with social assistance" as the main reasons for their homelessness. It may be that inadequacy of social assistance rates as well as minimum wage levels, as identified by Poverty Free Ontario—and you'll see the Web page reference there—are responsible for sustaining this poverty paradox.

To get a sense of the situation, a real sense of the lived experience, I thought we could start with a case study of a family of four living in the Cochrane district, and it should help illuminate the situation.

Imagine with me, if you will, a family of four—two adults; two children, aged seven and nine—with father working 37.5 hours per week and mother working 22 hours per week at minimum wage, with an after-tax annual income of \$28,000-plus; you can see the figure there. The accounting for this was done by Evergreen Accounting Services, Linda Dube, certified management

accountant, September 2012. That yearly amount breaks down to a monthly amount of \$2,343.

What I have done is listed the monthly expenses. Those expenses can be compared to the minimum wage income as well as the after-tax low-income cut-offs, as well as the Ontario Works rates and the Ontario disability services program rates, and that's what I've done here on page 2.

You'll note that all of these amounts for all the various needs that a family of four will have, all the expenses—all of these amounts are carefully and conservatively estimated, based on standards as well as research that we've conducted in the field.

For example, take a look at the food. It's the Porcupine Health Unit who reports that the nutritious food basket in Cochrane costs \$802.70 for this size of family. Take a look at housing, for example. It is the Rental Market Report, Ontario Highlights, CMHC, 2012, which reports that the average cost for a three-bedroom unit is \$934 for a month, in our district. Incidentally, we also have a remarkably low vacancy rate, at 1.5%. It's very difficult to find a place in the district.

As you go down, you'll find, again and again, very careful considerations given to establishing those costs. For example, the transportation cost is set at \$246, and this represents what it would cost for two adult and two children bus passes in Timmins. It's important to note that in the Cochrane district, about half the population doesn't have access to public transit.

Towards the bottom, you'll see the monthly total and then you'll see the monthly deficit. The important figure to see here is that, compared to the low-income cut-off, as well as compared to the budget listed here, the minimum-wage amounts being earned by this couple result in a \$300 deficit per month. They can't make ends meet.

If you look down to the Ontario Works maximum amounts—through that program as well as the Ontario disability services program, the maximum amount available there—you'll see they are woefully below that monthly total, as indicated there.

So families are facing choices of what they're not going to be dealing with, particularly the families in these circumstances. We think of things like school trips, computers, sports equipment, sports teams. Many of these are associated with social determinants of health.

At the bottom there, I present to you a reference to an excellent video that describes a similar case study done in North Bay. It's a nine-minute video. I highly recommend it.

To give you a sense of what's going on in Cochrane, now Ed Ligocki is going to talk a little bit about a strategy to resolve this problem.

Mr. Ed Ligocki: Good day, committee.

Poverty eradication in the Cochrane district: There were more than 100 participants from more than 20 communities across the province who attended the social justice day on Friday, March 8, facilitated by the Social Planning Network of Ontario and Poverty Free Ontario.

At that meeting in Toronto, the delegates affirmed a six-point plan as a good-faith start to the commitment to eradicate poverty in Ontario.

The six-point plan of the Social Planning Network Ontario/Poverty Free Ontario:

(1) Increase the basic needs allowance by \$100 per month as the first step towards adequacy.

(2) Index OW and ODSP rates annually to the change in the cost of living.

(3) Increase rates without cuts to existing benefits to OW and ODSP recipients; for example, special diet allowance and disability workers' benefit.

(4) Introduce an earnings exemption for social assistance recipients with working hours so that the 50% clawback does not apply on the first \$200 per month earnings, preferably higher—\$500.

(5) Commit to the principle that the minimum wage should bring a full-year, full-time—35 hours per week—earner to 10% above the poverty line, and implement a plan and timeline to get there.

(6) Index the minimum wage to keep up with inflation annually.

After returning from the event, Cochrane district delegates, through discussion with local leaders, decided to include a seventh recommendation that responds to locally identified needs, as articulated in various reports:

(7) An equalization supplement for northern Ontario and rural Ontario based on a local cost-of-living measurement conducted by the local social services administration for each community.

Can we afford these recommendations? The short answer is, yes, we can do this. We have noted a steady three-year decline in the client load of Ontario Works and Ontario Disability Support Program in the Cochrane district. These changes alone can fund these recommendations for the district. Poverty Free Ontario bulletin number 4 identifies specific changes to the tax structure that can provide the estimated \$700 million to fund these changes for all of Ontario. We urge you to implement these changes and to resolve the poverty paradox that we are facing in the Cochrane district.

If I could just put on a different hat, I'm the executive director of the Good Samaritan Inn homeless shelter. In 2005, when I first started, we provided 11,000 meals to our clients. Last year, we provided over 40,000 meals—a big difference.

Mr. Gilles Bisson: And that's with a booming economy.

Mr. Ed Ligocki: And that's with a booming economy; absolutely.

In 2005, 30 food baskets were given out to families that called the Good Samaritan Inn and asked for help. Since then, we've also become a food bank. Last year, we provided 436 food baskets to people in need. These are people who are calling with families of two, three and four who cannot provide food for their children at the end of the month—a terrible feeling. It breaks my heart.

Every year, I see a 25% to 30% increase in the numbers at the Good Samaritan Inn. We are a shelter that

houses 28 individuals, and many times through the year we've had over 50. They were sleeping in my office on a mattress; in the kitchen on a mattress; in the hallways upstairs on a mattress; in the living room on a mattress, because we refuse nobody.

I really believe that we have to take these numbers very seriously, because there's no end to this. The future doesn't bode well. If the last eight years of increases are any indication, the future is bleak.

I thank you very much for your consideration.

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The Chair (Mr. Kevin Daniel Flynn): Thank you, Ed. Thank you, Roderick.

There's a minute left. We have a quick question. Jane?

Mrs. Jane McKenna: I'd like to thank you all so much for coming. Your passion and compassion, and your generosity, is what makes Ontario an absolutely wonderful place to be part of. I'd like to also say that Toby Barrett—I'm not sure if any of you have had the opportunity to read his *Welfare to Work*. One of his pathways is saying, "In order to get people into jobs faster, we will adopt the recommendations of Don Drummond, Frances Lankin ... to transform Ontario's social assistance system by replacing Ontario Works and the Ontario Disability Support Program with one program focused on ability, not disability, while respecting the distinct needs of people with disabilities."

We have 600,000 people unemployed, 400,000 people who are on welfare and 200,000 people who have just given up looking for a job, so we need to change our environment, without having band-aids, and we need to make it better. We're very grateful for your input today. Thank you.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Darlene and Roderick and Ed. Amber, Reverend Arlene, and Richard, thank you very much for coming today.

Mr. Gilles Bisson: Who are our next presenters?

The Chair (Mr. Kevin Daniel Flynn): Eacom.

Mr. Gilles Bisson: Eacom. Just as Eacom is walking up: As in all of our communities, all of these people are volunteers who work really hard to try to deal with what is a serious issue in all of our communities. I just want, on behalf of myself and the committee, to say thank you for the work that you do, because it certainly is a tough row to hoe.

EACOM TIMBER CORP.

The Chair (Mr. Kevin Daniel Flynn): Have a seat, Keith. Make yourself comfortable. Greetings. Thank you for coming. Like everybody else, you get 15 minutes for your presentation. Use that any way you see fit and, if there's any time at the end, the questions will go to the NDP this time around.

Mr. Keith Ley: Thank you very much.

The Chair (Mr. Kevin Daniel Flynn): Thanks for coming.

Mr. Keith Ley: Members of the standing committee, thank you for once again holding pre-budget consulta-

tions here in northeastern Ontario and for granting me the opportunity to address your committee.

My name is Keith Ley. I am Eacom Timber Corp.'s general manager of forest management for Ontario. I'm based in the Sudbury area. I also currently serve as the current chair of the woodlands board of the Ontario Forest Industries Association. I would like to describe some of the current economic challenges facing our company and the larger forest industry, and also the future opportunities that Ontario can assist us with in capitalizing upon through sound public policy.

By way of introduction, Eacom Timber Corp. is a publicly traded manufacturer of softwood lumber and engineered wood products. Eacom owns six Ontario solid-wood mills, four of which are currently in operation. Unfortunately, our Timmins sawmill suffered a catastrophic fire in January 2012, but is now being rebuilt. Our Ear Falls sawmill remains under a market-related shutdown with plans to re-open in the future.

Although originally based in British Columbia, Eacom has decided to invest in Ontario for one simple reason: the potential for a strong and sustained recovery of Ontario's softwood lumber industry. This faith is based on two undeniable trends: the rapid decline in volume and quality of British Columbia's interior pine timber—this is due to the massive mountain pine beetle outbreak—and the emergence of wood as an environmentally friendly and structurally sound building material. Adding to future opportunities for Ontario lumber producers is the growing demand from China for lumber from British Columbia; this is diverting increasing amounts of lumber away from traditional Ontario markets in the United States.

Eacom has recently made significant capital investments designed to increase the productivity and capacity at our mills and to reduce our manufacturing costs. In 2012, we invested approximately \$19 million in two of our northeastern Ontario sawmills. Most recently, we announced the signing of a definitive agreement for the reconstruction of our Timmins sawmill. This \$25 million investment will ensure the resumption of sawmilling at a state-of-the-art sawmill in the middle of this summer.

Last January it was announced that the 2006 Canada-US Softwood Lumber Agreement would be extended until 2015. While we continue to operate under the softwood lumber agreement, as a result of current lumber prices, we are finally no longer constrained by export taxes or quota restrictions.

Despite the increasingly positive outlook for the future, recovery will take time. As many of you know, much of Ontario's lumber industry was decimated by the collapse of the US housing market, a 15% export tax under the SLA, the high Canadian dollar and, in some cases, excessive debt.

US housing starts remain relatively low, at 800,000 per year, only one third of the 2.4-million peak reached in 2006. As a result, the long-awaited recovery will not gain full traction until 2014, when it's predicted that there will be up to 1.3 million total housing starts.

So what can we conclude about the future of Ontario's softwood lumber industry? First, we can and should believe in the strong potential of Ontario to become a leading softwood lumber-producing jurisdiction in North America. Our forests are vast, sustainably managed, independently third party certified, and strategically located next to the northeast US and, of course, southern Ontario markets.

Second, we should conclude that investment interest, under the conditions of secure and affordable wood supply, sensible public policy and reasonable input costs, does exist. Forest industry capital is mobile and gravitates towards politically stable jurisdictions offering favourable returns at minimal risk. Ontario can make even further progress in this regard.

Third, we should be aware that the Ontario softwood lumber sector, while emerging from intensive care, remains in the recovery room. Fuel, energy and insurance costs all continue to spiral upward. This affects the service providers to our industry as much as the sector itself. Competition from a booming mining sector and the reopened mills—it makes competition for tradesmen and truckers—and the demographic shift towards an aging workforce create a situation where, right now, we have well-paying job vacancies unfilled. Many challenges remain.

So what can the Ontario government do to assist its still-vital softwood lumber industry in 2013? There are many things, some of which you heard about earlier today from Jamie Lim, president of the Ontario Forest Industries Association. Let me confirm a few of those policy measures in the context of the softwood lumber sector.

First and foremost, our sector continues to require the government's help in controlling its wood costs. To a typical softwood lumber mill, raw logs represent two thirds of our total input costs. Since over 90% of our supply comes from crown lands, the Ontario government can continue to play a helpful role here. Maintaining and fully restoring the \$75-million-per-year Ontario forest access roads construction and maintenance program that has been in existence since 2005 is essential. The up to 10% rise in delivered wood costs that would occur without such a program must be prevented.

I want to say this program is not a subsidy. It was recommended by the Minister's Council on Forest Sector Competitiveness in 2005, and it represents the provincial government's proportional share of the costs of building and maintaining a public road network in Ontario's crown forests.

As an example, the public road network on the Spanish Forest, an adjacent forest that our company manages—it's one of approximately 40 SFLs in Ontario—provides access for 140 registered trapline holders, 65 bear management operators, 64 commercial baitfish operators, 13 drive-in tourist establishments and over 2,100 mining claims. None of this includes the thousands of day trips that are made by fishermen, hunters and non-consumptive recreationists.

Secondly, your continued support for programs that promote the use of Ontario's forest products is much appreciated. Continued support for Ontario Wood—which is the educational and consumer promotion initiative of the Ministry of Natural Resources—helps to encourage and promote the use of wood as “the natural choice.” The Ministry of Natural Resources has done a great job in creating a brand and developing a consumer campaign for Ontario Wood. We would ask you to provide MNR with the necessary funds to launch this campaign. I'm personally waiting for the day that Ontario Wood is as recognizable a logo as Foodland Ontario.

Not all wood promotion activities require direct financial action by the government. Unfortunately, he's not here, but I'd like to thank Mr. Fedeli for reintroducing the Ontario Forestry Industry Revitalization Act. This act would amend the Ontario building code to remove the prohibition on six-storey wood frame buildings. Your support for this act would allow the use of wood in mid-rise construction, which would provide developers with a cost-effective and environmentally responsible building option.

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Finally, we need secure, long-term access to predictable and affordable supplies of crown timber. It's this access to timber that provides the compelling incentive for boards of directors to invest capital in Ontario. In this regard, there are a number of areas where the Ontario government can materially assist.

Recently, the MNR endorsed a set of principles for the implementation of enhanced sustainable forest licenses. Adhering to these principles—which includes locally developed solutions, transition at a moderate and measured pace over the next five to seven years and respect for existing harvest and wood supply commitments—is essential to reducing the uncertainty associated with a change of this magnitude.

The ministry has also indicated that it will be exploring and considering options for a new market-based timber pricing system. I want to say that Eacom supports the current stumpage system in that it is predictable and provides the necessary certainty for investment.

At the core of the current system is a sharing of benefits between the government and industry through the residual value portion of stumpage. The residual value component of stumpage is a form of profit sharing that provides relief to industry during low periods and increased payments to government when prices are buoyant. This price component is adjusted monthly and ranges from zero, in times of low forest product prices, to as much as \$25 per cubic metre when product prices are high. This depends on species and product sector. The residual value price component ensures that the crown, as the owner of the timber resource, shares in the financial rewards of strong end-product markets.

Finally, the implementation of the Endangered Species Act has been a source of uncertainty for our industry since 2007. Your support for MNR's recently proposed

approach to a regulation under the Endangered Species Act would help to address this uncertainty. The proposed regulation would recognize the effectiveness of the Crown Forest Sustainability Act and its associated forest management plans in providing for the habitat needs of species at risk in Ontario's crown forests. The proposed regulation would expire five years after coming into effect and would stipulate conditions under which forest operations can occur. These conditions may include operational prescriptions and management objectives within the forest management plans to avoid or minimize adverse effects to species at risk and their habitats.

In summary, Eacom Timber Corp. is pleased and proud to be operating in the province of Ontario. Our executive team and our investors see great business potential for softwood lumber production here over the long term. To realize that potential, we require the active collaboration and support of an Ontario government fully attuned to our own imperatives of secure long-term wood supply, affordable delivered fibre and a predictable forest policy environment. We hope that we can count on government support for our company's efforts to restore a portion of Ontario's softwood lumber industry and associated communities to the health and prosperity that can and should be theirs.

Thank you for this opportunity today. I hope you have a productive stay and safe travels.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Keith. Gilles and Michael, four minutes.

Mr. Gilles Bisson: A couple of things: First of all, the one thing that we do well in Ontario is we know how to manage forests. We are the world leaders when it comes to sustainable forestry development. There's not a tree that's cut in the forest without figuring out, could you cut that tree in a way that's sustainable to the environment, and when you cut the tree, how are you going to make sure that when it's taken out of the bush it doesn't harm the environment, and then making sure that we replant and reforest that area that's been cut over, because it's to not only our economic benefit, but it's also an environmental benefit as well.

So being the world leaders in sustainable forestry harvesting practices, it seems to me that it makes ultimate sense to heed the warning—not the warning, but what you're asking us to do, and what Jamie Lim asked us to do earlier, which is the Ontario wood advertising prospect, of being able to say, "If you want to buy wood that is environmentally sustainable as far as how we cut, how we operate, here's where you buy it from."

I guess I would just ask you to elaborate on that, the importance that could have on our industry here in Ontario if we did it properly and supported that particular initiative across North America.

Mr. Keith Ley: Well, thanks, Gilles. On behalf of me and my staff, thanks for the support for the quality of forest management in Ontario. I agree with you completely. The multidisciplinary planning teams that involve industry, the Ministry of Natural Resources and community members do a fabulous job.

The Ontario Wood campaign just makes so much sense. You can get behind it for so many reasons: the quality of the management, the product itself. It's a great product; it's environmentally positive. We all love wood.

But one of the things I like about it is that, as a consumer, you can do something in your own town. I think that community aspect of it—go to the lumberyard and say, "I'd like to buy Ontario wood," because there was an Ontario logger who cut down that tree, there was an Ontario forest planner, there was an Ontario sawmiller, there was an Ontario trucker. All things considered equal, why not support the mills in your community?

It looks so close to the Ontario farmer—

Mr. Gilles Bisson: But I'm challenging us to go further because it seems to me, from a marketing perspective, it would be smart for Ontario to say, "We are the world leaders when it comes to making sure that we harvest in a sustainable way." Endangered Species Act? Listen, we were doing that kind of stuff way before the Endangered Species Act ever came along in the forest management plans and, quite frankly, are doing a pretty darned good job.

My point is, why wouldn't we take it to the next step? Why wouldn't we say, "Let's try to promote Ontario wood North America-wide as being the most sustainable, the most ecological, the most environmentally friendly way of being able to produce lumber in North America"? Because we are.

Mr. Keith Ley: I guess that could be a fabulous long-term goal and objective for the program. I completely support that. I guess my ask today is, let's get it to Ontario consumers first. Let's take it to the next step.

Mr. Gilles Bisson: I hear you from a local economic perspective for Ontario, but I think it should be a marketing opportunity for us in Ontario overall.

Just because my colleagues are here, I want to take this opportunity on forest management planning processes. As a local MPP, I deal with cottagers, environmentalists and others who, at times, come up against—they don't want a particular area cut. I've got to say, the FMP process, the forest management planning process, and everything that ensues allows for actually a good way for us to work out those issues. I just dealt with one in Departure Lake. It's not on your particular forest; it's actually on Tembec's. But we managed to make sure that the cottagers were happy—

Interruption.

Mr. Gilles Bisson: Hang on; this is important. The cottagers were happy, the First Nations were happy, the forest company got its timber, the local municipality—we came to a compromise that made sense. And you know what at the end? It works, and it's sustainable. We say to my southern colleagues, we really need to give northern Ontario some credit for what we're doing here because we're world leaders when it comes to managing our forests.

The Chair (Mr. Kevin Daniel Flynn): That's a good way to end it. Thank you, Keith.

CONCEIVABLE DREAMS

The Chair (Mr. Kevin Daniel Flynn): Our final delegation of the day is Jan Silverman. Jan, if you'd come forward and make yourself comfortable. I know you've been sitting there for a while, so you know what the rules are.

Ms. Jan Silverman: I have to tell you it's been really interesting to hear all this.

The Chair (Mr. Kevin Daniel Flynn): That's good. That's good to hear. You've got 15 minutes. You use that any way you see fit, and the questions will come from the government side this time. It's all yours.

Ms. Jan Silverman: Okay. Thank you. Good afternoon and thank you for the opportunity to present today. My name is Jan Silverman, and I am a counsellor who works with women and men with fertility and reproductive challenges, as well as an advocate and spokesperson. As a founding member and long-time supporter of Conceivable Dreams—the province-wide coalition of patients, family members, health professionals and others supporting equitable access to funding for in vitro fertilization, or IVF—I fully endorse what Paula Schuck told the committee in Windsor yesterday.

I'm a health professional who has worked in the field of infertility and reproductive health for almost three decades. I can tell you first-hand about the human impact of infertility. In the more than 20 years that I operated the infertility support and education program at Women's College Hospital, I counselled literally thousands of couples facing fertility challenges. Their stories were all different, but equally heartbreaking.

I did not start out to work in the infertility field. In fact, I was trained as an audiologist and first moved from New York City to Sudbury to work as an audiologist.

Mr. Gilles Bisson: Good choice.

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Ms. Jan Silverman: I thought so too.

Mr. Gilles Bisson: You should have come to Timmins.

Ms. Jan Silverman: If they had offered me a job, I might have.

But my life took an unexpected turn. At the age of 26, within the first four months into marriage to my wonderful late husband, who was a Sudbury man, I suffered two ectopic pregnancies, which destroyed my fallopian tubes. Attending a meeting with a physician whom I'd been told was going to operate to improve my chances of future pregnancy, I was instead told forcefully that I should "Get over it and recognize that you're never going to have children." The doctor then abruptly left the room.

After struggling with depression, I came across a newspaper reference to a support group for infertility patients in the United States. I reached out to them and they put me in touch with a woman in Hamilton, Ontario. Together, we eventually organized Canada's first infertility support group, called Infertility Facts and Feelings. Discovering that I was not alone and that I could help ease the burden of others faced with similarly brutal

news, I knew I'd found my career focus. I returned to school at OISE to earn a second master's degree, this time in education and counselling.

I've since worked almost exclusively in counselling related to reproductive health and infertility. Among many, many other roles, I was selected and served as one of the 11 members on the Ontario expert panel, which developed the 2009 report *Raising Expectations*, which I think sits on a lot of people's shelves. Working with David Johnston and the other panel members was an extraordinary experience. I'm enormously proud of our report. I truly believe that its recommendations provide a road map for both sound public policy and humane support to couples in need. That's why I find it deeply disturbing that so little action has been taken on the panel's recommendations, both those with respect to adoption and especially those relating to infertility treatment.

There are very few people in Ontario who have seen the vast range of individuals and couples with infertility challenges to which I have been exposed for many years. There is a myth that most of those seeking IVF are upper-middle-class professionals in their 40s who delayed childbearing for selfish career reasons and now want government help for a last hurrah at having a family. Nothing could be further from the truth.

Yes, fertility challenges increase with age, and the social reality is that the average age when most Canadians have their first child is now over 30. That has occurred for a host of economic and social reasons, including the opportunities that exist today for women in education and the workforce, as well as the fact that most families today require two incomes just to get by.

But it is also important to recognize that infertility can result from a host of medical conditions that can strike at any age, including endometriosis, polycystic ovarian syndrome, gynecological and testicular cancers, drug treatments, infections and countless more. As my own experience at 26 demonstrated, as have the cases I've seen of premature ovarian failure or early menopause at age 18 or damaged ovaries at 20, infertility does not respect arbitrary boundaries. Therefore, cause is not the issue; we need to focus on how to treat infertility in a way that is medically efficient and economically and socially humane.

Let me quickly just give you three examples from the thousands of situations I've witnessed over the years. For privacy reasons, I've changed the names and a few of the identifying details, but the substance of the vignettes is real.

Maria and Ahmed are what some people would call new Canadians, though they've each been here for almost 20 years. They came by different routes—from South America and the Middle East, respectively—fell in love at school, married and worked hard to get established. He runs a flooring company; she manages a medical office.

In her early 30s, they tried to get pregnant, without success. Tests showed her egg quality had already deteriorated significantly, despite her young age. Knowing they could afford only a single cycle of IVF, Maria did

everything possible to maximize their chances of success. She took time off from work to focus on de-stressing, maintained the healthiest possible diet and got the best medical advice.

Unfortunately, there was no happy ending for them. They did not get pregnant after the single IVF treatment. Doctors felt if they could afford to keep trying through a few more cycles they had a reasonable chance of achieving pregnancy. But the financial realities of carrying all of the costs of this medical condition themselves meant that they had hit the end of the road.

In the case of John and Susan, the problem started in his youth. John suffered a bout of cancer at the age of 12. His aggressive chemotherapy was successful in fighting off the disease, but one result was that years later his sperm was compromised. It was still possible that he and his partner could conceive naturally, but combined with the fact that her eggs were also prematurely deteriorating, the odds became very long indeed. IVF gave them a fighting chance. After three rounds of IVF, they were thrilled to become pregnant and are now proud parents. But their success came at the cost of a \$40,000 debt that they could ill afford, as few of us can when starting out at the most expensive stage of family life.

And finally, Ginette is one of the many, many, many women who suffer from endometriosis. Early in her relationship with Francois, her physician told her that her condition could make it difficult to get pregnant and they should not delay. Yet after six years of trying—six years where calendars, hormone cycles, mucous levels and temperatures, surgeries and ever-increasing anxiety, have occupied every waking minute—they have failed to get pregnant.

Ginette is a strong candidate for IVF. She and Francois might well be able to have children through treatment, but like a very large percentage of the population, they cannot even afford to consider it. The economy in their small northern town is struggling. Francois's job at the mill is intermittent now, and Ginette's work at the co-op brings in little more than minimum wage. Finding \$10,000 and more for even a single cycle, plus travel to a clinic in Toronto, London or Ottawa, is simply beyond their means.

That's one of the saddest things I see in my work. The lack of support for IVF has created a two-class system, where the upper middle class can afford to take a shot at achieving success through IVF, but those below them on the economic ladder are shut out of hope. As we debate these issues in northern Ontario, where I began my Canadian life decades ago, let's not forget the critical importance of reasonable access for all Ontarians to health care. That applies to infertility treatments as much as chronic and acute care.

IVF is not a miracle cure for everyone; it is not a panacea. But it is an extraordinarily valuable option that can provide many infertile patients with a real shot at having their own genetically linked children.

I do not see any conflict between funding IVF treatment and supporting adoption. After my own tragedy at

26, I adopted, which was the only way in that day to build a family. I love my daughter and my son—they're my world. But I also recognize that humans have an intrinsic desire to have their own genetically linked children, and that there are some real limitations around the availability and the cost of adoption as well.

So I want to urge the members of this committee to support action on all of the recommendations of the Johnston report, supporting patients in need of IVF as well as those hoping to adopt. In particular, I urge all of you to press the Minister of Finance for a commitment in this 2013 budget for support to patients in need of IVF.

As Raising Expectations reported, and as experience in Quebec and elsewhere around the world demonstrates, funding IVF can be done in a way that actually saves money for taxpayers. That's a good thing. But let's really do it to save the anguish, the heartbreak, the depression, the economic stress and the relationship strain on all of those couples who suffer with infertility. The benefits, at so many levels, will be incalculable. Thank you.

The Chair (Mr. Kevin Daniel Flynn): Thank you very much. We have between three and four minutes for the final questions of the day. Let's start with Joe.

Mr. Joe Dickson: Thank you Mr. Chair, and thank you very much, Jan. You really tugged at my heart today, because I married a young lady—she comes from a family of eight; I come from a family of 10. We both wanted a large family. We were, however, blessed with two beautiful, dynamic children, but I recall specifically a 10-year span in our married life when my wife went through what you have gone through, and that's tremendous suffering and, many times, sheer pain. She also suffered two ectopic pregnancies. We were told point-blank that was the end of the opportunity for any more children—period. There was no other option. So what you are doing is a minor miracle.

I personally thank you, and I know everyone here will, for what you do to help others with IVF, and I just wanted to say thank you to you.

Ms. Jan Silverman: Thank you very much. I'm passionate about my work, not just what I do but the how of what I do, which is helping women and men to recognize that they're not alone in this fight. One of the things about infertility is how isolating it is, which is especially true when you come to a northern community, where the medical supports are so minimal in general, and for specific issues—and especially women's issues—it's even more not available.

The Chair (Mr. Kevin Daniel Flynn): Final question, to anybody?

Thank you, Jan. Thank you very much for coming—

Mr. Gilles Bisson: Can I ask just—

The Chair (Mr. Kevin Daniel Flynn): Sure. We've got about a minute left.

Mr. Gilles Bisson: So essentially, you go the private route, and my colleague was telling me—maybe you can explain it and—

Mr. Michael Prue: The woman yesterday said that, in the private route, they put six or eight eggs in at once and

then the babies are born; many of them are born with multiple medical problems. So the question I asked her yesterday was, should we be allowing that in Ontario, to impregnate a woman with six or eight eggs at once?

Mr. Gilles Bisson: So have a public system where everybody is the same and you do it properly with one.

Ms. Jan Silverman: Well, that's the idea, but you have to understand that it's hugely expensive to go through a cycle. Now, you will not find people anymore putting in the six to eight that they once did. That was an earlier time, but people still do. Usually, that's the reason we suggest IVF as opposed to inseminations, where you don't know how many are going to fertilize. But the point is that so many people see this as their one shot: "Whatever it is, whatever it is, load it on. Whatever it is, I'll deal with the consequences."

What we're trying to say is that if you didn't force people into this desperate state of being, if we provided them with in vitro fertilization when necessary—not for everybody but for the cases where it is medically called for—then we can control how many embryos we put back.

We are recommending—as in Quebec, as in other jurisdictions around the world—moving towards you fund IVF, and we are going to push for a single embryo transfer, putting back one embryo such that we deliver singletons. The point is that by having a singleton, by not risking multiples, that is how we are going to save Ontario the money, because the money that is being put into these multiples is costing the system more than it would cost—we would save money by funding IVF.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Jan, and thank you very much for coming today.

Ms. Jan Silverman: Thank you all enormously. I hope everyone gets back—

The Chair (Mr. Kevin Daniel Flynn): No, no. I think we're seeing some more of your group—

Interjection.

Ms. Jan Silverman: Oh, okay.

The Chair (Mr. Kevin Daniel Flynn): —a little later in the week. Thank you for coming today.

We are recessed to Ottawa.

The committee adjourned at 1342.

STANDING COMMITTEE ON FINANCE AND ECONOMIC AFFAIRS

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Second Session, 40th Parliament

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Wednesday 13 March 2013

**Standing Committee on
Finance and Economic Affairs**

Pre-budget consultations

Assemblée législative de l'Ontario

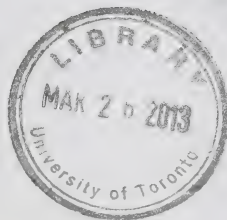
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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRSCOMITÉ PERMANENT DES FINANCES
ET DES AFFAIRES ÉCONOMIQUES

Wednesday 13 March 2013

Mercredi 13 mars 2013

The committee met at 0830 in the Ottawa Marriott Hotel, Ottawa.

PRE-BUDGET CONSULTATIONS

The Chair (Mr. Kevin Daniel Flynn): Let's call to order, then. Thank you all who are here this morning to speak to the committee.

MR. ROBERT ARMSTRONG

The Chair (Mr. Kevin Daniel Flynn): Our first delegation this morning is Robert Armstrong. Would you like to come forward, Mr. Armstrong? Make yourself comfortable.

Mr. Robert Armstrong: I was hoping for a chair with arms—

The Chair (Mr. Kevin Daniel Flynn): Do you need a chair with arms?

Mr. Robert Armstrong: I'm fine. I'm fine, thank you very much. I just have to organize myself. It's a bit of a procedure, as you see.

The Chair (Mr. Kevin Daniel Flynn): Take your time.

Mr. Robert Armstrong: It's all a safety thing. They taught me that at Bruyère. You have to plan your movements.

The Chair (Mr. Kevin Daniel Flynn): You get comfortable, and while you're getting comfortable, how we're doing it is that everybody gets 15 minutes, Mr. Armstrong. You use that time any way you see fit.

Mr. Robert Armstrong: I hope I use it constructively.

The Chair (Mr. Kevin Daniel Flynn): Yes, use it constructively, but it's your choice there as well. Then, at the end of it all, if there is any time left over in the 15 minutes, we'll use that for a question and answer period. The first party to ask questions this morning will be the Conservative Party. I'm going to set my timer up as you get yourself prepared. When you're ready, you let me know.

Mr. Robert Armstrong: You can see where I'm headed. My driver has got me in knots. How do I put this on?

The Chair (Mr. Kevin Daniel Flynn): Oh, that turns itself on. We'll handle that for you.

Ms. Cindy Forster: Yes, your microphone is on.

Mr. Michael Prue: It's on right now.

Mr. Peter Shurman: We can hear you.

Mr. Robert Armstrong: You can hear me? That's the whole point, isn't it? When I have about five minutes left, will you let me know?

The Chair (Mr. Kevin Daniel Flynn): I certainly will.

Mr. Robert Armstrong: I learned that from Steve Paikin. You ever watched the Agenda? The last five minutes are the most interesting.

The Chair (Mr. Kevin Daniel Flynn): You've got to finish big.

Mr. Robert Armstrong: What's that, sir?

The Chair (Mr. Kevin Daniel Flynn): You've got to finish big.

Mr. Robert Armstrong: Are we ready?

The Chair (Mr. Kevin Daniel Flynn): Any time you're ready, we're ready.

Mr. Robert Armstrong: Okay. I have a paper but I'll send it on to the committee when it's complete. I will work from a few notes.

First of all, I want to let you know that I'm an independent person in the sense that I don't belong to any of the organizations to which I might nominally belong. Also, I'm nonpartisan. I appreciate the time you're taking to come to Ottawa. I was thinking this morning, looking at the Globe, as some of you were, that we live in a very complex, interdependent world. We have Mr. Baird in Hong Kong; we have at least two Canadians in the conclave in Rome; we have the visit of the Prime Minister of France today in Ottawa. He's also going on to Toronto to meet Ms. Wynne, then on to Quebec City to meet Ms. Marois. It's a very complex and interdependent world and we have to recognize that. I appreciate you taking the time to come to Ottawa.

I have great respect for the role you play as politicians. I'll give you a brief history: I came to Ottawa in 1960 as a very young administrative officer. I left the Department of Labour, where I was assistant deputy minister, in 1986, but I follow politics very, very closely.

As a way of introduction, I want to say that there are a lot of basic services that people of my age do appreciate, home care being one, and I'm going to trench onto that later. You're going to think I'm in the wrong committee, that I should be in front of the health committee. But there's a carry-over between the tax system and the health system, as you know, and I'll explain that later.

There are exercise classes provided by the city, and I go to that. The paramed service works extremely well in the city, as do the police and fire, when you need them. Occasionally I fall and need to be picked up and put back in shape, and the para people are always extremely pleasant. It happened once and I couldn't get out of my bath. The fire department was summoned, and four big guys managed to pull me out. My caregiver had a sheet put under my shoulders, under my arms, and that's how they pulled me out. Subsequently, I bought a walk-in bath, so I'm well equipped.

We often compare ourselves to our—can you hear me still?

The Chair (Mr. Kevin Daniel Flynn): Oh, yes, absolutely.

Mr. Robert Armstrong: I sound like I don't know who—the late Tom Connors.

Our system, compared to the American system, provides what we call universal coverage, but the principal shortcoming is that the basic legislative framework does not cover long-term care. It could, but it does not.

We could have a realigned system, which would be costly. But as the Fraser Institute has pointed out recently, we pay for the universal system through our tax system; it's kind of buried in there. Depending on your income, you pay significant amounts of money towards the health system, as we do for defence and foreign affairs and everything else.

By way of introduction, you're all familiar with Hurricane Sandy. It missed most of us. Roberta Smith, the art critic of the New York Times, toured a number of galleries in lower Manhattan, and she observed the work of new and older artists, some of whose work was damaged and others spared. She spoke of the span of life, if you will. She referred to the starting, the continuing, and the approaching end.

At a certain age—and I'm in that bracket for sure, when we all are potentially—when your next birthday is your 79th, you know the end is approaching. That doesn't disturb me at all. The issue is, how do we get there?

I'm not talking about end of life. I'm not talking about hospice care. I'm talking about that intermediate stage where we're not desperately ill but we do require assistance with everyday activities. This is home care, and it goes against the bias, I think, in Canada towards institutionalization. What is worse is it's anathema to people like Romanoff and Jeffrey Simpson. Everything they talk about seems to be public.

But the public system does not see home care as an integral part of the health care universe on the one hand, while not providing it on the other. That's a real problem. And it does not readily accept its provision by the private sector.

Now, this is where it gets rather crucial. With age there often comes loss of mobility, as you can see—I did rehearse this. Some basic tasks can be performed. However, with the onset of some disability, problems of balance and the risk of falling require support and help in the home. This support is required for thousands of

people in Ontario; I'm not alone. Most people won't dare come and tell you all about it, but I've dealt with people before, for whom I have great respect, including Mr. Munro or Mr. Mackasey and Lincoln Alexander, among others—Mr. Trudeau.

The support required for thousands of us is not every day but perhaps two or three times a week, to assist with bathing, changing linen, doing a wash, helping with basic housekeeping, and then changing a dressing. In addition, accompaniment is required for shopping, medical appointments or exercise classes.

For those who have the means, these services are available privately. They are not readily available publicly, and where they are, they are subject to rapid change as their priorities change.

0840

Recently, I spoke with representatives of the CCAC. I called them, and I heard back three months and 20 days later. I wasn't annoyed about that. I said, "Well, it's a bit long." They said, "We're overloaded," and they are overloaded.

Anne Golden, who you know—I think she's heading to Ryerson at the moment—has spoken of the need for health care to be efficient and preventive. This is what private home care service does: It keeps people out of hospital and affords a cherished independence that is vital to well-being. Is there any wrong in this? Well, governments seem to think so. At the provincial and federal level, the response of government is punitive. That's a strong statement, isn't it? The harmonized sales tax, HST, is applied to home care and related services.

I spoke with Premier McGuinty's office before the election, and I was told, "Well, it's a service." But it's not like getting your car washed or your hair blow-dried. It's an integral part of the health system. Home care is health care, and governments are taxing it. In the case of the personal income tax, the maximum allowed, together with percentage deduction, yields a very meagre offset. There's almost a meanness here, but I don't think it's intended. In my case, expenses of almost \$20,000 yielded a refund of \$1,000. How can you explain that?

I really do believe that seniors who can afford private care are discouraged by the tax regime of governments. This is a crucial point: We are providing taxable income to the caregivers. So it's a form of double taxation. They tax my services. I pay, and I'm very happy to pay the people that help me. I'll give you an ad for them; they're called Libra Services, in Ottawa. It's very effective, very compassionate and it works. But why is it taxed? It's difficult to understand that.

On the federal side, they apply a cap, then a percentage deduction, so I don't know what people who are very ill do.

Interjection.

Mr. Robert Armstrong: Five. Okay, sir. I got you.

So, let us end HST on home care and do away with the exaggerated tax on health care at the federal level. I really think that there's a contradictory logic and lack of compassion in the way vulnerable seniors are treated. I'm

not the most vulnerable by a long shot. You know that. I'm fairly independent, I wish I was more so, but I find that the governments are treating us in a somewhat shabby way.

These repeated pronouncements by Carney and Flaherty about overspending and so on—household spending: A lot of our money goes, in my bracket, into private health care. If it wasn't for the openness of my bankers, I would be in serious difficulty. I have a home-equity line of credit; I'll be very honest with you. The overflow, my caregivers charge to a Visa, but I don't always meet it. I have to dip into the line of credit. Carney is wrong. I wrote him on that point. I said he has to be a bit more subtle, with a bit more nuance, when he talks about household debt. It's not all going to buy new Nissans and flat TVs. That has to be recognized.

You kind people have a leadership role, and I hope you'll take these issues up. It's a serious matter. I can tell you, I'm not going to let go of it because I think I'm on the right track. I think I'm not exaggerating, and I appreciate the opportunity of coming before you.

I know where you come from, in the sense that it requires enormous stamina to do what you're doing and a lot of dedication. I know that. I have considered myself approaching elected office. I have a very kind lawyer friend, who is my executor. He said, "Robert, you don't have the stamina."

I remember going to Vancouver for a meeting of the CLC and coming back with John Munro in the Challenger. There was a bench there. Munro fell asleep the whole trip. Whatever you think of John, he had enormous stamina. You have to have it, and you guys have it and you young women have it. So I respect your commitment and I thank you for hearing me, and I hope that I made some sense and stayed within the time limits.

The Chair (Mr. Kevin Daniel Flynn): You stayed within the time limits very well. You've got about two minutes left for questions and answers. Peter.

Mr. Peter Shurman: First of all, I just want to thank you, Robert, for coming forward and giving us your opinion. I don't know that I can purport to speak for everybody at the table, because we're three different parties, but I think we're generally agreed that home care is something that we have to ante up on going forward, increase, at the public level. Why? Because of exactly what you're talking about. You're more than leading-edge. I think you said you were 79. At that stage, you've got about 14 years on me, but the point is, our population is aging, and we need to be able to deliver services more efficiently, and we don't do so at this point.

The point that you raise, however, on HST being applied: There's a reason for that. That's because the folks that run things have spent everything. The cupboard is bare, so they applied HST, and they applied it across the board.

I can't make a commitment to you that that's going to change, but I can make a commitment to you that if my party gets into power—and I suspect the others as well, maintaining or getting into power—everybody knows

that home care has to go up at the public level. Home care has to go up at the public level because people like you cannot be expected to mortgage their houses. Maybe you're lucky that you can; others don't have that luxury and are kind of stuck.

Please go ahead and add comments to what I've said.

Mr. Robert Armstrong: Well, you're emphasizing the public side. It doesn't work.

Mr. Peter Shurman: The public side doesn't work now. It could.

Mr. Robert Armstrong: Well, it won't work because you never know who's coming, you never know when they're coming, and you never see the same person twice. I had a wound on my foot, and it was organized through a CCAC and it was very effective; the nurse came regularly. But on an ongoing basis, you won't get it. It's all disjointed. I have a driver through the same company, and I have home care two mornings a week. It's scheduled, and they come on time. I'm very good to them. Although I have a walk-in bath, I need to be supervised getting in and out of it. Your emphasis on public doesn't work—

Mr. Peter Shurman: No, it doesn't now. I'm saying that it needs a huge revamp.

Mr. Robert Armstrong: Well, why would I be penalized by having the services provided privately?

Mr. Peter Shurman: I have no argument with that. You're quite correct; you shouldn't be.

The Chair (Mr. Kevin Daniel Flynn): We're ending on an agreeable note.

Mr. Robert Armstrong: Well, maybe your party should back off the public approach. And when would it be? I won't be 79 by the time you do it; I'll be 89. You've been talking about it—everyone talks about health, beautiful rhetoric, but no one gets into the kind of detail in which I got today. That's why—

Mr. Peter Shurman: Well, the point is, Robert, that you're on the record. We've heard you and we'll take this back for consideration. We thank you; you make good points.

Mr. Robert Armstrong: Thank you, and I hope you're going to show the leadership that I hope you will and I know you will.

The Chair (Mr. Kevin Daniel Flynn): Thank you for joining us.

Mr. Robert Armstrong: Thank you, sir, and thank you for your patience.

The Chair (Mr. Kevin Daniel Flynn): No problem at all. Do you need some help there?

Mr. Robert Armstrong: I'll be fine.

Ms. Bonnie Basker: Somebody better help him, or else it's going to run into my time.

The Chair (Mr. Kevin Daniel Flynn): No, your time doesn't start till you get here. Don't worry. Relax.

Mr. Robert Armstrong: We won't interfere with anyone else's time.

None of you identified yourselves.

Mrs. Jane McKenna: Our cards are there, but Jane McKenna, MPP, Burlington.

Ms. Cindy Forster: Cindy Forster, Welland.

Mr. Peter Shurman: Peter Shurman.

Mr. Michael Prue: Michael Prue, Beaches—East York.

Ms. Soo Wong: And I'm Soo Wong, from Scarborough—Agincourt.

Mr. Robert Armstrong: Okay. Well, thank you all for coming.

Ms. Soo Wong: Thank you for coming.

Mr. Robert Armstrong: We can't always give you skating opportunities, but there's other entertainment here in Ottawa, as you well know.

Interjections.

Mr. Robert Armstrong: This gentleman represents Libra. Why would his services be taxed? That's ridiculous. That's my parting shot before they throw me out. They'll call the Sergeant-at-Arms and say, "Robert Armstrong, you're expelled from this honourable meeting."

Thanks very much.

0850

The Chair (Mr. Kevin Daniel Flynn): Thank you.

Mr. Robert Armstrong: It's no disrespect to the committee that I'm leaving.

The Chair (Mr. Kevin Daniel Flynn): No. You go enjoy yourself.

Ms. Cindy Forster: You don't want to join us for the day?

Interjections.

MS. BONNIE BASKER

The Chair (Mr. Kevin Daniel Flynn): Okay, Bonnie, if you'd come forward, make yourself comfortable, get yourself settled in.

Ms. Bonnie Basker: Good morning, everybody.

The Chair (Mr. Kevin Daniel Flynn): Good morning, Bonnie.

Ms. Bonnie Basker: I didn't realize there were going to be three parties here. I assume that you're all in little groups.

The Chair (Mr. Kevin Daniel Flynn): Kind of.

Ms. Bonnie Basker: Now, this side, you are—

Mr. Peter Shurman: Conservatives.

Ms. Bonnie Basker: You're the New Democrats.

Mr. Monte McNaughton: We're the PCs, the three of us.

Ms. Bonnie Basker: Oh. Those are two New Democrats.

Interjection: Yes.

Ms. Bonnie Basker: You're PCs—

Mr. Peter Shurman: And those are Liberals.

Ms. Bonnie Basker: And those are—

Ms. Dipika Damerla: We're the government.

Mrs. Jane McKenna: They're the government.

Ms. Bonnie Basker: You're all the government. I see. Okay.

The Chair (Mr. Kevin Daniel Flynn): Sometimes we change seats just to mix people up.

Anyway, Bonnie, thank you for coming this morning. You've got 15 minutes to make your presentation. You use that time any way you see fit. Then, if you leave a little bit of time at the end, what we'll do is we'll have some questions, and they will come from the NDP. But it's entirely up to you as to how you use that time.

Ms. Bonnie Basker: Yes. I heard that when you spoke to the last gentleman.

I'm a senior citizen and mother of two seriously disabled children, and I've spent most of my life either caring for or advocating on behalf of these children in an effort to have their needs met. I am now a resident in a seniors' building, which is owned and operated by Ottawa community public housing, where I and many disabled, frail, elderly seniors have been plagued by bedbugs.

Recently, when speaking with the operations manager of my building, I was shocked to learn that this housing provider is forbidden by law, by the government of Ontario, to treat an entire building for these pests that have been eating me alive. Furthermore, you need to know that seniors are expected to either prepare their units for spraying or pay people to do that job for them.

I was always of the understanding that housing providers were obliged by law to provide housing that was fit for human habitation. Am I in for another shock? Has that law now changed to where, in addition to paying one's rent, one is now responsible for this task?

Home support for seniors and the disabled is grossly inadequate and staff are poorly trained. Contrary to what some might think, not every person knows how to properly clean an apartment. Now, I have nothing against immigrants per se; however, I do believe that charity begins at home. If a country can't provide proper care and treatment for its own frail, elderly citizens and the disabled, then it ought not to be doling out the citizenry's tax dollars to support strangers from other countries with financial assistance, public housing, health care, medications etc., while seniors such as myself are neglected and abused, and that's what I feel I have been.

This is exactly what has been, and is now, happening because of decisions which have been made, both by the government of Ontario and our federal government.

This needs to change. I have no grandchildren and never will because both my children are disabled. I'll not be around that much longer, so let me have a little peace in my senior years. I'd appreciate that. Stop abusing and neglecting low-income seniors now.

The Chair (Mr. Kevin Daniel Flynn): Thank you. You've left a lot of time there for some questions, Bonnie. Michael or Cindy?

Mr. Michael Prue: Well, I have a question right off the bat, because you said you found out it's against the law for them to spray an entire building.

Ms. Bonnie Basker: Yes.

Mr. Michael Prue: I have been a mayor, a councillor, an MPP for the last 25 years, and I have never, ever heard of such a law.

Ms. Bonnie Basker: Well, I was told this by the director of operations of Ottawa housing. Their office is on Chapel Street.

Mr. Michael Prue: And why can't they spray a whole building?

Ms. Bonnie Basker: She said the government of Ontario prohibits it, and you need to look into that.

Mr. Michael Prue: I'm just looking at all my colleagues.

The Chair (Mr. Kevin Daniel Flynn): That's a new one on me.

Mr. Michael Prue: We have never heard of this.

Ms. Bonnie Basker: I know.

Mr. Michael Prue: And I don't believe it to be true.

Ms. Bonnie Basker: You can say that if you want, but I have no reason to believe that this lady, this very responsible lady in a position of authority over a large housing area, is lying.

Mr. Michael Prue: Where exactly is this building? Because I'd like to talk to your local MPP.

Ms. Bonnie Basker: I've talked to the local MPP, Yasir Naqvi, and I have gone to the mayor's office. I called the health department and I spoke to a health inspector, and he told me there was nothing he could do.

Now, I even find them running around in my bathroom sink. I had them for 20 months, all my things packed up.

"Oh no, old lady. You can't even do your knitting. We're packing away your yarn."

Twenty months is a heck of a long time to be without all your things, and when you're older—I'm an avid craftsperson; I was. I knit. I crochet. I do every kind of stitchery you can imagine. I'm a seamstress. I've done macramé. There isn't a type of craft I haven't done. And to have all my things taken away for almost two years—it's very difficult to get back on your feet again when you're older.

The home care is not what it needs to be. As I said, contrary to what some may think, home care personnel are not all good housekeepers and know how to do things. I had one come to my place at a time, when needed, and she put a thimble full of soap in a bucket and about four inches of water and she started on the floor. Well, I'm from Cape Breton. I was scrubbing floors and into it with elbow grease when I was a young girl, 13 years of age.

"Oh, I have a bad back. If I put too much soap it'll make the floor slippery."

"Have you ever heard of rinsing a floor?"

"No."

I mean, these people need to be properly trained. I had three bins set up for recycling: one for garbage, one for bottles and cans and whatever, and another one for paper products. She never moved them, so before she left, I pulled them out. There was dirt behind there.

I said, "You didn't sweep or wash behind there."

I go in the bathroom. The what do you call it, for cleaning the toilet and stuff like that, hadn't been moved. There was some dirt in there.

"Oh, I'm sorry. You're going to have to"—why does a senior citizen have to take these people and train them and tell them how to do work? Because they're not properly trained.

The Chair (Mr. Kevin Daniel Flynn): Well, I think what we can do, Mrs.—

Ms. Bonnie Basker: Basker.

The Chair (Mr. Kevin Daniel Flynn): Certainly we can make some inquiries on your behalf. There's not a lot in your presentation that would be solved by any change in the budget this year, or any suggestions that might inform us from a financial point of view, but certainly the issue you raised on the bedbugs and the quality of the service they're providing is something that some members of this committee can certainly look into a little further, I think. Michael, is that where you were going with this?

Ms. Bonnie Basker: Please do. I would appreciate it.
0900

Mr. Michael Prue: The only thing I would ask: I would ask the researcher—because I know that the money for bedbugs was cut in the last budget—how much was cut, how much is still there, and how much would it take to resolve the problems not only in Ottawa, but in Toronto and other places where they're found?

Ms. Bonnie Basker: Now, if I may continue, there's an elderly lady on the seventh floor in my building; I got to speaking to her outside. She's much older than I am. She had a major heart attack; she was in a wheelchair. Well, when I had my apartment done first, let me say over \$2,500 worth of my belongings were destroyed. I'm a Cape Bretoner; my mother was a kilt maker. They took my kilts—three of them and the sash. They threw everything—fancy dresses, it didn't matter what—into the laundry all together and brought everything back. Not a stitch was folded. It was a heck of a mess.

Now this elderly lady who's quite a bit older than I am, and in a wheelchair, said that now they wanted \$385 to do her apartment. So they came and she says, "Well, I only have \$185 for now. I'll have to give you the \$200 later." Well, they brought her things all back in a hell of a mess, and on top of that, they ruined some of her belongings—her coat. I had things of mine that were lost; I had things delivered to me that belonged to other people. It was awful. She says, "I'm not giving them the other \$200 because of what they've done."

The money that was given to the health department in order to pay these people, who were not properly trained to do the job, obviously—that ran out. That's why this poor old lady was asked to pay.

The Chair (Mr. Kevin Daniel Flynn): Well, we will look into this for you. I think everybody agrees that this is something that we could ask some questions about for you and see exactly what's happening in your building, specifically, and see if we can't make it right.

Ms. Bonnie Basker: Well, I'll have to tell you my building. It's 395 Somerset Street West. I'm apartment 1815, and I will give you my number privately.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Bonnie. I appreciate your time here this morning. We'll see if we can't make something positive.

Ms. Bonnie Basker: You're welcome, and I'm speaking not just for myself; there are many who cannot speak as well as I, because I am a university graduate, and prior to that I was a registered nursing assistant.

The Chair (Mr. Kevin Daniel Flynn): Well, thank you for coming forward. You did a very good job and your message was heard.

Ms. Bonnie Basker: You're most welcome. I thank you for listening. Anything you can do on my behalf and on our behalf will be appreciated.

The Chair (Mr. Kevin Daniel Flynn): We will. Thank you for coming, Bonnie.

CEMENT ASSOCIATION OF CANADA

The Chair (Mr. Kevin Daniel Flynn): Our next delegation this morning is from the Cement Association of Canada, and that is—oh, you're not Martha.

Mr. Steve Morrissey: No, I'm not.

Laughter.

Mr. Steve Morrissey: Only on the weekends.

The Chair (Mr. Kevin Daniel Flynn): Thank you for coming to represent the association. If you'd make yourself comfortable, and you've got 15 minutes. Use that any way you see fit. The questioning, if there is any time for that, goes to the Liberals this time. Maybe you want to introduce yourself.

Mr. Steve Morrissey: Thank you for the opportunity, Mr. Chair and members of the committee. I'm going to be charitable today and be certainly less than 15 minutes. And thank you for being here over the March break. I'm sure there are other commitments more enticing, with children and whatnot, that would be more palatable than being here today, but I appreciate you being here and the opportunity.

My name is Steve Morrissey. I'm the vice-president of the Cement Association of Canada. The CAC represents all the cement manufacturers in Ontario and all of the manufacturers in Canada. You're probably familiar with some of our members in Ontario: Lafarge North America; Holcim Canada; St Marys Cement; Essroc Italcementi; and Federal White Cement.

The cement and concrete industries employ over 16,000 people in this province and generate directly over \$6 billion in economic activity in contribution to the province. Cement, concrete and aggregates are located all across the province in every region and likely every riding, and are important industries supporting a \$37-billion construction industry.

Given the critical importance of our province's infrastructure in maintaining jobs and promoting economic growth and given the growing importance of sustainable construction in our society today, cement and concrete are arguably one of Canada's most important and strategic commodities. In fact, concrete is the second-most-used material on earth, after water, and there are over

3,000 tonnes per year being manufactured for every woman, man and child on the planet today. I don't think I have to remind this group that governments at all levels are the largest purchasers of cement and concrete.

Today, I'd like to talk about sustainable infrastructure and how we are seeking to meet society's and government's sustainability objectives. Concrete is literally the foundation upon which modern economies are built. We believe this is going to be the case in the future as well.

As an industry, we have come a long way when it comes to sustainability and reducing our environmental footprint. We have invested significantly to become more efficient, cleaner, more transparent, and increasingly focused on product-based solutions to sustainability challenges. For example, we have invested heavily in research, and we're proud of our innovations, most recently Contempra—a new brand of cement that reduces CO₂ by 10% and is being used in the province today—and products like pervious concrete pavement, ultra-high-performance concrete and air purifying concrete panels, which are now being tested by MOT here in the province. The cement industry is partnering with a wide range of stakeholders, including governments and environmental groups, in finding ways to reduce our footprint and find solutions to our sustainability challenges.

I'd like to speak to how cement and concrete contribute to sustainable infrastructure and how these benefits can be increased in Ontario through the use of alternative fuels in the cement manufacturing process. We applaud the government of Ontario for the levels of infrastructure we have made over the past several years. We need to encourage governments at all levels to continue to maintain and grow these investments. As noted in the recent speech from the throne, "... infrastructure is the underpinning of our economy, and that if we continue to lag behind we will never leap forward." We also agree that Ontarians are ready to talk about how to get better value and quality for local infrastructure in their communities, whether it's roads, bridges, transit or otherwise.

To accomplish this, we ask the governments to use a full-life-cycle approach to inform your decision-making for infrastructure projects. A full cradle-to-grave life cycle approach considers all phases of an infrastructure project to provide a true perspective of its cumulative environmental and economic impacts. It allows you to measure the long-term value of infrastructure investments as it quantifies and assesses these impacts over the infrastructure's total service life. You may have heard us say this before: Our motto is "Build it once, build it right, and build it to last."

I want to give you a very specific example here in Ontario. All of the last 10 MTO alternative bid tenders were awarded to concrete road designs, and by implementing life cycle tools, it has shown that this decision will save MTO over \$45 million for these projects. We believe that by choosing concrete roads where appropriate, Ontario municipalities could save up to 26% on a pavement's total cost of ownership when considering its full life cycle. I think this is an extremely significant number,

given how much every municipality's citizens demand roads being repaved, the amount of potholes that we have that we could avoid and the amount of money that's required to maintain our roads and highway infrastructure. I think we need to be thinking about how we do these more sustainably, which will save money and have greater environmental impacts.

On alternative fuels: We also believe that construction materials should contribute to achieving Ontario's sustainable development objectives, which include reducing GHGs. The cement and concrete industries are committed to finding solutions to reduce these emissions. This includes the use of alternative fuels in our industry. Using a low-carbon alternative and fully renewable energy sources will have the largest impact with respect to reducing dependence on imported fossil fuels, reducing GHGs, redirecting waste from landfills and staying competitive.

Ontario is behind the rest of the world, other Canadian provinces and US jurisdictions when it comes to permitting alternative fuel use. We live in a progressive province, and this is a situation which we shouldn't be facing. The use of these fuels would be a win for government, the environment and the health of the province, and certainly a win for our industry.

Alternative fuels would enhance the industry's sustainability both environmentally, where we can reduce GHGs and other air pollutants, and economically, where fuels account for a substantial portion of our manufacturing costs. Using a specific example, based on Ontario's 2010 kiln energy consumption data by weight, a 45% substitution of coal and petrol coke with carbon-neutral fuels would allow us to eliminate up to 640,000 tonnes of CO₂ per year, which is the equivalent of removing over 120,000 passenger cars off the roads each year.

0910

Alternative fuels would reduce waste to landfills, reduce GHGs and fossil fuel consumption, and increase competitiveness. That is a win-win for everyone. GHGs collectively comprise the single largest environmental issue currently facing our industry. Our members are actively researching new opportunities to reduce our GHG emissions, and we are proactively working with MOE to allow the use of alternative and renewable fuels.

On climate policy, as an energy-intensive and trade-exposed industry, Ontario's cement manufacturers risk being placed at a competitive disadvantage both in our domestic market here in Ontario, but also in our primary export market in the northern US, if climate policy does not adequately take into consideration regulatory imbalances between regions.

For business to remain competitive, it needs some sort of certainty. We recommend that the government continue a sector-by-sector consultative, regulatory approach in designing GHG regulations.

Finally, and very briefly, I want to raise the issue of electricity costs in the province. Cement manufacturing is a highly energy-intensive process. Cement producers are

large purchasers of electricity, and this cost has been rising sharply in Ontario, with no end in sight. The increasing uncertainty over medium- and long-term electricity costs is diminishing the desire of businesses to invest in this province.

While the government has made changes to the allocation of the global adjustment which are beneficial to manufacturers, and I applaud this initiative, our members are still facing massive increases in electricity costs, as much as 7% to 12% year over year. This is coming at a time when we have already implemented significant energy-efficiency programs.

The electricity cost crisis in Ontario is not just a residential customer political issue; it is a crisis that will play a significant part in the business decision to expand and create jobs in more competitive jurisdictions.

In closing, we believe that focusing on sustainable infrastructure and taking a long-term view for infrastructure investments will help the province of Ontario and the industry achieve our common sustainability objectives in terms of the environment and the economy and, of course, from a social perspective. The government must take action to ensure that the overall business environment is favourable and sufficiently competitive to retain and grow manufacturing investment here in Ontario.

Once again, thank you very much for the opportunity. I'd be very pleased to answer any of your questions.

The Chair (Mr. Kevin Daniel Flynn): Great. Thank you, Steve. You left about six minutes for questions, starting with Dipika.

Ms. Dipika Damerla: Thank you, Steve, for coming today, and please convey my regards to Martha, as well.

Mr. Steve Morrissey: I will. Thank you.

Ms. Dipika Damerla: It was a very interesting presentation. I just had a couple of questions. One is, you spent some time on how GHGs can be reduced for your industry by using alternative fuels, and I just wanted to know, what does that mean in terms of the cost of producing cement when you use alternative fuels?

Mr. Steve Morrissey: Thank you for the question. It's very central. It's one of our priority issues across the country, but here in Ontario in particular.

In the kiln process that manufactures cement, the temperature must reach 1,400 degrees centigrade, which is much, much higher than any incinerator temperature that you can imagine. And it must sustain this over a very long period of time. To do this, we must burn an extraordinary amount of fuel.

The primary fuels are coal and petroleum coke, which, of course, do have emissions profiles associated with them. Around the world, our manufacturers have been trying to find renewable sources, and these can include anything like used plastics, wood fibre, all sorts of—municipal solid waste is one that we really would like to encourage. But if we substitute that coal and pet coke with these fuels, then we can actually reduce the amount of GHGs—

Ms. Dipika Damerla: But what does it mean for cost of production?

Mr. Steve Morrissey: It depends on the availability of the alternative fuels. But here in Ontario, there are so many sources available. We believe, on average, it will bring the cost down.

Ms. Dipika Damerla: So your issue is you're not allowed to burn alternative fuels right now in your kilns?

Mr. Steve Morrissey: That's right. In order to burn something new in a kiln, we have to go through a permitting process, and it takes several years to do this. Pilot projects have been successful in Ontario, but obtaining full permits can be very time-consuming and costly, of course. We have to go through stakeholder engagement, rigorous testing and publication of the testing for the community so everyone is aware of what happens.

We have established a working group with MOE, established over two years ago, to work on these issues collectively. We've done some very good work with MOE, but we're now at a standstill where we need some political motivation to move not only the alternative fuel file but also the waste policy in Ontario to how we are going to move this towards a more sustainable waste policy in Ontario.

Ms. Dipika Damerla: My second question is, you referred to the fact that in Ontario "and in our primary export market in the northern US ... climate policy does not adequately take into consideration regulatory imbalances between regions." Can you speak to what those regulatory imbalances are that you say are negatively affecting you?

Mr. Steve Morrissey: I'll give you a perfect example. In British Columbia, they have a carbon tax. That carbon tax is applied on the fuels used by industry and by consumers. Before the carbon tax was implemented in BC, imported cement into BC was about 4% to 7% on average in a year. Since the carbon tax has been put in place, imports are now 40% of the market. Imported cement does not have to pay carbon tax on the fuel it uses to manufacture. Because Washington state or because Pacific nations that are exporting into BC don't face this cost, they have a competitive advantage. So because we have this jurisdictional difference, we have an unlevel playing field.

This is the same concern we have for climate policy in Canada. We have a cap-and-trade system that's being implemented in Quebec. We don't have a system here in Ontario at the moment, but MOE is working towards something, and the federal government is working on a different track. Especially for energy-intensive or trade-exposed industries, it's very important that all these jurisdictions consider how they're impacting their own domestic marketplace. We accept and we want to work on a climate policy that's appropriate for Canada, but we want to make sure that it doesn't disadvantage Canadian market players.

Ms. Dipika Damerla: But there's nothing right now in Ontario in the regulatory climate that is disadvantaging you. You just used a BC example, so I'm assuming that Ontario is fine for now.

Mr. Steve Morrissey: Well, yes, and the MOE is in the consultation stage with the industrial stakeholders on moving forward with the next phase of its climate action plan.

Ms. Dipika Damerla: Do I have time for another question?

The Chair (Mr. Kevin Daniel Flynn): Yep, you've got just over a minute.

Ms. Dipika Damerla: My final question is on global adjustment. Does the cement industry benefit from the changes in the global adjustment?

Mr. Steve Morrissey: Yes.

Ms. Dipika Damerla: You do.

Mr. Steve Morrissey: Yes.

Ms. Dipika Damerla: Okay. But you still find electricity is—

Mr. Steve Morrissey: Our costs are still going up.

Ms. Dipika Damerla: Can you give me some idea of the price difference in the electricity used here in Ontario versus Quebec or the US?

Mr. Steve Morrissey: I can, actually. I can undertake to give you—we're part of a coalition of industrial users of electricity and we've met recently with the new minister about this. We have a position paper which outlines a jurisdictional comparison of the industrial rates. I'd be happy to send that to you.

Ms. Dipika Damerla: Thank you.

The Chair (Mr. Kevin Daniel Flynn): That's great. Well, thank you very much for coming today, Steve. We appreciate it.

Mr. Steve Morrissey: Thank you very much.

CHEMISTRY INDUSTRY ASSOCIATION OF CANADA

The Chair (Mr. Kevin Daniel Flynn): Okay. Our next delegation this morning is from the Chemistry Industry Association of Canada. If you gentlemen would like to come forward and perhaps introduce yourselves.

Mr. Richard Paton: Good morning.

The Chair (Mr. Kevin Daniel Flynn): Good morning. There's 15 minutes. Use it any way you see fit. If there's any time at the end for questions, it will go to the Progressive Conservative Party this time. If you would both introduce yourselves for Hansard, that would be great.

Mr. Richard Paton: Great. I'm Robert Paton and I'm president of the Chemistry Industry Association of Canada. This is David Podruzny, who is our vice-president of business and economics. Thank you very much for the opportunity to speak with you today, as Steve mentioned, even on your winter break. I don't know when your breaks are, but most people in Ottawa are down in Florida right now.

Laughter.

The Chair (Mr. Kevin Daniel Flynn): It's empty out there.

Mr. Richard Paton: I believe that our next budget is critical to Ontario's future and will either contribute or

not contribute to establishing confidence for the business community, like ours, to invest in Ontario.

Our message today is very straightforward and simple: The growth of our industry can contribute significantly to the growth of the economy, the creation of jobs and revenues for the province. But a key factor for that sustained investment in the province is a stable fiscal environment and a clear plan to deal with the debt and deficit. Otherwise, companies will expect the erosion of the policy environment; as we've seen in some of the proposals by various parties, increased corporate taxes; or, even more extreme, electricity costs which will affect our competitiveness.

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So I'll provide a little insight into our industry, the challenges we face and, more importantly, the opportunities that we think lie ahead for our industry to contribute to the growth and development of Ontario and the revenues of Ontario. We represent the leading manufacturers of chemicals in Canada. This includes companies that you would be familiar with: Dow, DuPont, BASF, Nova Chemicals.

It's sometimes surprising for people in Ontario to realize that we're a \$21-billion industry in Ontario. The largest part of our industry in Canada is located in Ontario. Of that \$21 billion in sales, \$16 billion is exported to the United States.

We're a transformation industry. We take natural resources—it could be oil; it could be gas; it could be minerals; it could be biomass, increasingly. We transform them through a process of manufacturing, and we produce products which are key inputs, chemical products, that go into a range of other sectors in the province that are critical to our growth and diversification as an economy—autos: 3,000 to 5,000 pieces of every automobile include chemical products like plastics, rubber; construction: steel processes. Forestry products use huge amounts of chemicals to break down pulp or to add coatings to paper.

By transforming these resources, we create value for the Ontario economy, anywhere from five times to 40 times the value of the original natural resource. We create that value for the economy, for the communities of Ontario, and for employment in Ontario. So we're a critical part of achieving a diverse and strong Ontario economy, and that is critical to producing a balanced budget and a fiscally strong province.

Our association is committed to attracting more and more investment to Ontario. In the last few years, we've seen an uptick in that investment. We think that in the next 10 years, we could attract easily another \$2.5 billion of investment if the right conditions are there. Just to give you an example of what is already happening, there is about \$500 million in investments going on right now: Cytec in the Niagara region, Nova in the Sarnia region, and BioAmber in the Sarnia region.

These are the first major investments in Ontario that we've seen probably in about 10 years, so something is happening with investment and the overall North Amer-

ican economy. There's a few reasons for that. First of all, the policy environment has improved. Corporate tax rates have gone down. The HST was introduced, which we supported. Some of the investments I mentioned have been the direct result of a favourable corporate tax rate versus, say, Louisiana or Tennessee.

Second, the inputs to our industry have become more available. Biomass is plentiful in Ontario, but also we've been able to take advantage of shale gas from Pennsylvania. Imagine that. We're changing the geographical dynamics here: We're actually shipping, or plan to ship, shale gas from Pennsylvania to Canada so that we can grow our industry. I like that. That's a bit different than building a pipeline and sending it to Texas.

Third, our products are key inputs to a lot of other industries in the province. It could be autos or it could be plastics.

Also, chemistry provides a basis for solutions to environmental remediation and increased energy efficiency. If you drive by a housing development, what do you see? You see the insulation that's being put on the walls. That is basically chemistry.

What do we recommend? We have a very short brief, which fits our theme that we think there are opportunities in Ontario to invest and to grow. We think those opportunities will benefit Ontarians but also will benefit the Ontario government.

Some of the things that we think would help improve our policy environment are regarding taxation, electricity costs, regulation and areas like apprenticeship and skills—all of these things available—a skilled workforce at a reasonable price. Electricity costs, as Steve mentioned, are extremely important to us. The regulatory environment is also extremely important, and maintaining that tax structure that we currently have, that does give us the advantage to grow, is also very important.

Our brief is consistent with the findings of the Advantage Ontario report that was produced by the Jobs and Prosperity Council. It was a largely private sector executive group, and they clearly argued that the status quo with our economy is not an option. We need to focus on producing an innovative, productive and globally oriented economy. They argued that the time is now to seize that opportunity. We generally support the recommendations of that committee, and we've written the government saying that.

Our specific recommendations for our sector are:

- maintain the current provincial tax rate for manufacturing;

- match any move by the federal government to extend the accelerated capital cost allowance; the government has indicated that in previous budgets, and we're hopeful that the new federal budget that will come out will extend the accelerated capital cost allowance. That will stimulate big capital-investment projects; and

- lower industrial electricity rates, which are extremely uncompetitive now on a North American basis.

But our recommendations go far beyond the needs of our particular sector. It's our very strong view that the

Ontario government must develop a clear plan to reduce its deficit and debt so that it consumes a much smaller proportion of the total economy. We believe the Drummond report provides sufficient analysis to illustrate the dangers we face as a province. We think the province is running a huge risk of interest rate increases on borrowing and erratic changes to taxes or services, which will undermine the branding of this province as a place to invest.

We are seriously concerned that Ontario will be faced with the worst kind of vicious circle: The vicious circle that the province faces will be continued deficits and a growing debt. That undermines industry confidence that this is a good place to invest or that fiscal policy is sound enough for business. That, in turn, undermines investment, which in turn undermines job creation and revenues for the government, so we end up going through kind of a death spiral. I would call this a lose-lose-lose scenario for Ontario, Ontarians, our sector and the economy.

On the other hand, if we were able to develop a sound fiscal plan to deal with the deficit and debt, I think we could build on the successes we've already had and the opportunities we have as an industry to attract that \$2.5 billion, grow the economy, grow the revenue base of Ontario, grow the jobs and produce a much better Ontario for all concerned. Thank you very much.

The Chair (Mr. Kevin Daniel Flynn): That's great. Thank you, Richard. You've got just over five minutes for questions, going to Monte.

Mr. Monte McNaughton: First of all, thank you very much for presenting here today. I represent the riding of Lambton-Kent-Middlesex, which is, as you know, close to Sarnia. Your industry provides a lot of jobs in southwestern Ontario and right across the province. It's interesting—you speak to four priority areas that our caucus has been talking a lot about over the last number of months: obviously, balanced budgets being number one; apprenticeship reform; you mentioned affordable energy; and reducing the red-tape burden on industry.

Getting back to the balanced budgets, we know by the government forecast that—I think the interest payment this year on the debt is something like \$10.5 billion dollars; in a few years it's going to be upwards of \$15 billion or \$16 billion, just the interest on the debt alone. Can you explain the relationship between deficits and job losses? I know you kind of alluded to that; you say having balanced budgets would encourage investment. Can you talk a bit about that from your perspective?

Mr. Richard Paton: Sure—does this kick on, or do I have to press it?

Mr. Monte McNaughton: It's on.

Mr. Richard Paton: Well, I think the important part is, when there are opportunities—you could see that in your region; it's fair to say that there wasn't much investment going on in the Sarnia region for, what, 25 years?

Mr. Monte McNaughton: Yes.

Mr. Richard Paton: And all of a sudden, we've seen it with shale gas, with biomass. So we can see that the opportunities are there.

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The relationship is that if you are going to locate—we're building plants for 25 or 30 years. That's why electricity costs become so important, because you have to project out that the situation will get better. Well, pretty well nobody would project that at the moment. So what is really important is that you know that you're going to be located in a province that can manage its finances. Provinces that don't, or governments that don't—I used to work for the federal government; I used to be head of the budget office in the federal government—make erratic decisions: "Well, let's just decrease that corporate tax." "Let's just add some user fees." "The electricity rates will have to go up." "We can't afford an industrial rate for electricity." All of those things will add a regulation here, a regulation there. So very quickly the policy environment is not friendly to investment, and unfortunately, in our world—the chemistry industry is the most globally traded industry in the world—people move. People move to Louisiana, they move to Texas, they move to the Middle East, they move to China, and very quickly can make a decision that there are better places to invest than Ontario. Now, I think Ontario has tremendous assets and lots of opportunities, but we could squander it if we can't manage our finances.

Mr. Monte McNaughton: Okay. Excellent. Thank you for that.

Just finally, on the corporate tax side, we saw in the budget last year the government not follow through on its commitment to further reduce corporate taxes, and I know that was a deal to get their budget passed. But we had a presentation at this committee by a union saying that higher corporate taxes wouldn't affect jobs, and I just want to get your comment on that.

Mr. Richard Paton: Well, I'll give you just one example. Maybe Dave can add to this.

We had one investment in sci-tech recently in the Niagara area, and I think MPPs will be familiar that the Niagara area is kind of a wasteland for manufacturing. A lot of companies have left the Niagara area. It used to be a centre for manufacturing, and that investment was one. The leader of the company there is a real strong guy who argues for investing in Canada. He won that investment because of the corporate tax difference.

Now, if he thought that that was going to erode—he's making a 25-year investment. If he thought the signals from the government were, "Man, we got that down too low. It doesn't really matter; it's a giveaway," whatever, he would not have been able to convince his company to invest in that location in Niagara, as opposed to Tennessee.

So, absolutely. You can't draw a direct line; you can't say that every point makes this difference in jobs. What's really important is your branding—are you a province that believes in a competitive corporate tax rate?—and giving that signal to businesses that this matters and that

you will continue on that course. As soon as you're off that course, people start saying, "We can't trust that they'll have a tax structure that we can use for the next 25 years."

Mr. Monte McNaughton: Great. I agree with that 100%. Thank you.

I think Jane has—

Mrs. Jane McKenna: Is there any time?

The Chair (Mr. Kevin Daniel Flynn): There isn't, unfortunately. Sorry. But thank you, David, and thank you, Richard, for coming. We appreciate your attendance here this morning.

DIEFENBUNKER: CANADA'S COLD WAR MUSEUM

The Chair (Mr. Kevin Daniel Flynn): Our next speaker this morning is from Diefenbunker: Canada's Cold War Museum. I always wanted to say that word, "Diefenbunker."

Christine?

Ms. Christine McGuire: Yes.

The Chair (Mr. Kevin Daniel Flynn): Thank you very much for coming this morning. You have 15 minutes, like everybody else. Use that any way you see fit, and if there's any time left over at the end, the questions will come from the NDP.

It's all yours.

Ms. Christine McGuire: Fantastic. Thank you so much for having me this morning.

My name is Christine McGuire. I'm from the Diefenbunker: Canada's Cold War Museum. It's just about 25 minutes west of Centretown, Ottawa, in the rural town of Carp, but we are a local, regional, provincial and national museum. We are a member of the Ottawa Museum Network—who will be speaking to you later on this afternoon—that represents the 10 community museums, non-profit museums, here in Ottawa, and the Council of Heritage Organizations in Ottawa.

I've been at the bunker for almost four years now, and I've really seen the museum go through tremendous changes. We are now considered one of the top premier locations and attractions in the region. Keep in mind that this is a 100,000-square-foot nuclear bunker underground. We're about war and complete annihilation and emergency preparedness wrapped in a military site.

Yet I've seen over the past three years that it has very much become an experiential learning environment for the current generation and young generations learning about the Cold War. We really try to be accessible for all visitors and audience types, and relate to people in their current situation today that the Cold War is very much still a living history and that it's currently reflecting our decisions and political and economic situations today.

Just to give you a little bit of history about the Diefenbunker, if you've never been, it did not begin its life as a museum. It was owned and operated by National Defence from 1959 and was decommissioned in 1994. It was mostly an emergency preparedness centre and central

communication centre during the Cold War. If there was going to be a nuclear attack, the Prime Minister and his cabinet and up to 500 military and civilians would be able to run the government essentially from underground.

As I was saying, it was decommissioned in 1994. The community rallied to actually save the site. It was designated as a national historic site of Canada in 1997 as the most important surviving Cold War site in all of Canada, so we do have that national scope as well.

It became a museum in 1998 and was originally volunteer-run, but we've been going strong for quite a long time now. And again, just to give you a visual: We're a 100,000-square-foot, four-level underground museum. It's quite a significant site to maintain, as you can imagine. It's a big concrete block. We've undergone a \$1.6-million fire retrofit in 2010 to increase our capacity from 60 to the original 500, so that's really increased our accessibilities to all types of audiences, group tours, services and programs to the public.

Now that we've increased our capacity, we're really moving forward for more community engagement and audience development. We've done extensive community outreach to increase our audiences of new Canadians, youth, families and school visits.

With our new strategic plan in place, we've actually increased our attendance last year, a 27% increase of over 45,000 visitors to the site. That was a very positive year for us, and we're going to be moving forward with our new strategic plan based on those efforts.

We employ five full-time museum employees with about 18 part-time during our peak seasons, which are the spring and summer. We are open all year round, so we do have to come up with special events and programs on our shoulder seasons as well.

We've gained over 400 new members based on our new membership campaign, mostly families and couples. By engaging new visitors, we're really creating lifelong museum-goers, but also people who appreciate culture and heritage in the province of Ontario.

The Diefenbunker has been able to engage through many practices of social media as well. We're actually the number one museum in all of Canada followed on Pinterest. We're really becoming a top family destination as well, so we offer all sorts of school programming and youth programming and year-round calendar events.

With our new vision and strategic plan in place, education is very much at the forefront of our planning. We strive to create teachable lessons from the Cold War for current and future generations. We're doing new programming, with grants, on conflict resolution, anti-bullying and science-based programming. We feel that by working with partners, community members and visitors, we not only create, again, these teachable moments, but overall an experiential learning environment.

We did receive two grants from the province: the Museums and Technology Fund and the Cultural Strategic Investment Fund. The first allowed us—is allowing us, I should say—to create a brand new accessible website that's fully bilingual and is actually somewhat user-

generated as well to create that participatory experience of people on a national, regional, provincial and local level. The second is actually enabling us to develop science-based programming, especially for young girls, to really become interested in the math and the engineering side of learning while they're in elementary and high school.

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Even though these grants are extremely helpful, 80% of our revenue is actually self-generated through our tours, admissions, programs and services. We very much felt the impact of the cuts of those two grants, because we just received the last of the funding. The Museums and Technology Fund and the Cultural Strategic Investment Fund were cut from the province's funding.

With our new strategic plan in place, we're very much trying to find new and unique ways of raising funds, as well as partnering with provincial, federal, local and regional representatives. We're very, very grateful for the grants, and we welcome the opportunity to work with the province, partnering with new educational initiatives, job creation and economic growth—because, especially with the project funding, that's where we create these very unique job opportunities, especially for youth. That's very much project-based, rather than the operational part, which is usually self-funded as well.

I thank you very much for your time, and if you have any questions, please feel free to ask me.

The Vice-Chair (Ms. Soo Wong): Okay. All right, I think the questions are coming from the NDP. Mr. Prue?

Mr. Michael Prue: This is a finance committee, and our job is to crunch some numbers. Can you tell me what kind of money you're looking for, because I think we need to hear that. We haven't heard it yet.

Ms. Christine McGuire: Absolutely. Laura Gibbs, who is a representative of the Ottawa Museum Network, will be talking very much more about numbers today. Again, with the \$11 million to \$3 million cut, it's very much affecting our project funding. To increase the amount of grants, especially for project funding for small, non-profit, local museums, is so crucial to us not only staying sustainable but being able to move forward in our new plans as well.

Mr. Michael Prue: What I just heard is, you used to get \$11 million and now you're getting \$3 million?

Ms. Christine McGuire: Yes.

Mr. Michael Prue: So, what you're looking for—are you looking for the \$8 million to be added back?

Ms. Christine McGuire: We are looking for, definitely, increased project and grant funding so we are able to offer these projects and thus create more job creation and economic growth through tourism to Ottawa and the rural town of Carp.

Mr. Michael Prue: There are literally hundreds of museums in Ontario.

Ms. Christine McGuire: Yes.

Mr. Michael Prue: Every town, every city, every place has a museum.

Ms. Christine McGuire: Absolutely.

Mr. Michael Prue: Is this general across the province, that the museums have been cut back, or is this specific to you?

Ms. Christine McGuire: No, this is general. This is the province—that it's been cut. By adding that money back into your budget, you're creating these opportunities for all museums in Ontario. I'm speaking specifically about the bunker just because we did receive those two grants from the province, which have created so much of an elevated profile for us—and able to be accessible to our audiences. The fact that they were cut—I thought it was important that we were represented today, that we will feel that impact, because we are a self-generated non-profit.

Ms. Cindy Forster: Just for clarity—and thank you for your presentation—the cut from \$11 million to \$3 million was for Ottawa museums, or was that provincially?

Ms. Christine McGuire: That's provincially.

Ms. Cindy Forster: Provincially, that was the cut?

Ms. Christine McGuire: Yes.

Ms. Cindy Forster: Do you get any federal funding?

Ms. Christine McGuire: We do, mostly from Young Canada Works, for employment for youth.

Ms. Cindy Forster: Okay. Your particular museum operates with just five full-time staff?

Ms. Christine McGuire: Yes.

Ms. Cindy Forster: Even though you saw—was it an increase of 45,000?

Ms. Christine McGuire: An increase of 27%, and it went from 37,000 in 2011 to 45,000.

Ms. Cindy Forster: Visitors?

Ms. Christine McGuire: Yes, which was a significant increase, so we have to have those job creations to be able to handle the influx of visitors as well.

Ms. Cindy Forster: How much grant money did you actually get in those two grants, and were they multi-year?

Ms. Christine McGuire: They were multi-year. The Museums and Technology Fund is over two years, and that's \$50,000, but it's matching funds. For the Cultural Strategic Investment Fund, it's \$43,000 over three years, I believe, and it's 100%.

Ms. Cindy Forster: Thank you.

The Vice-Chair (Ms. Soo Wong): That's great. Thank you very much for your presentation.

Ms. Christine McGuire: Thank you so much for your time today.

HOUSING HELP

The Vice-Chair (Ms. Soo Wong): The next speakers are Trudy Sutton, from Housing Help, and Rob MacDonald.

Can you identify yourselves to Hansard? I think the questions are coming from the government side. Thank you.

Mr. Rob MacDonald: My name is Rob MacDonald, and I am with Housing Help. Housing Help is a small non-profit agency here in Ottawa, and our goal is to help people who are homeless or who are at risk of becoming homeless. It was the first of its kind in the province of Ontario; it's the template which other Housing Help centres have based themselves on. There are now 18 Housing Help Centres across Ontario, and I like to think that we're still the best. The work that I do at Housing Help is work that I love doing. It's representing individuals and families who are facing eviction at the Landlord and Tenant Board.

Unfortunately, there's no shortage of work in our office. If you look at the statistics, landlords filed more than 80,000 applications against tenants in Ontario, and about 85% of those applications were for rent arrears. These were mostly families and individuals who are just struggling to get by, working whatever jobs they can and trying to keep paying the rent. But they often just don't have a choice between paying the rent and buying food, and they wind up getting evicted. We feel that's a reflection of the current economy and the ongoing lack of affordable housing in Ottawa. When people lose their employment, it often happens in our office that they lose their housing. A number of studies have also shown the reverse: that when people lose their housing, they lose their employment afterwards.

According to the latest census, 33% of Ottawa's households are tenant occupied, and 18% of them are paying more than 50% of their income on rent. Nearly 10,000 households in Ottawa are currently on the waiting list for social housing. It is estimated that about 7,300 individuals or 5,600 households resided in shelters for an average of 68 days, in Ottawa. Those stats don't capture the real picture because we're only capturing the ones who are actually staying in shelters. We have a lot of people in our office who are couch surfing, going place to place and just one night away from winding up out on the street.

In Ontario, tenants account for about one third of the province's population, and 36% of them are living at the poverty line. The average income for tenants is way less than homeowners; they're at about 42% of the household income that homeowners have. Across the province, there's 156,000 households on waiting lists for social housing. The average wait time can be up to 10 to 15 years, depending on a person's situation. Again, the stats aren't always accurate because a lot of people in our office, when we tell them how long they'll have to wait for social housing, don't even bother applying. What we hear all the time in our office is that people have paid taxes for years and years and can't get help from the system when they need it. How can you argue with that?

I'm not a stats person; that's why I wrote this stuff down.

One of the things I was looking at recently was just the amount that has been spent in Ontario. We're really disappointed because we've seen that in 2009, Ontario spent less than most of the other provinces on affordable

housing. In 2009, Ontario spent \$64 per person on affordable housing, compared to the average of other provinces, which was \$115 per person. In that time as well, we've seen the Ministry of Housing's budget being reduced annually by 12% just between the years 2009 and 2012. We're not going to make any progress if we keep seeing these crucial departments being reduced.

We saw the poverty reduction strategy in Ontario, and we saw a budget in 2012. None of that really addressed what we really need to see, which is the needs of low-income people to move forward. They're not going to be able to do that if we're not building any new affordable housing.

The private market in Ottawa is just as bad with the rental housing situation. We're seeing a lot of demolitions happening, a lot of conversions to other use. The rental stock is getting older, and we're losing what we have. Ottawa hasn't built any purpose-built rental housing in the last several years. As we're losing more and more housing, where are those people going to go? We have a lot of rooming houses that have just been put up for grabs, converted into other uses. If a person can't afford a room, they're going to wind up in the shelters. There's nothing in between.

In our view, there needs to be an increase in the Ontario Works rates and the disability rates. The report Brighter Prospects: Transforming Social Assistance recommended an immediate \$100 increase at the lowest-rate category, and we completely support that. That comes from me having worked at a time when tenants received a 22% cutback in welfare and disability, and we've never made up for that.

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Back in 1993, a single parent with a child received—a better example would be a single person. They received \$414 for their shelter allowance back in 1993; today they receive \$376. The average cost for a room in Ottawa is \$450. People are having nothing, and our shelters are winding up full as a result.

We saw the community start-up benefit cancelled. In my work at the Landlord and Tenant Board, that's something we rely on heavily to prevent tenants from being evicted, whether it's through rent arrears, whether it's helping a family with disabilities get some support.

Hoarding is a big issue in Ottawa, where people bring in clutter, and it's a mental health issue. We need the community start-up benefit to help them reduce the clutter and get a proper cleanup done, to get them the support services they need. We've been very successful in doing that in the past. The community start-up benefit is really critical in order to prevent eviction in Ottawa. The money, we feel strongly, should be put back into the budget.

I think the other thing is, in our view, the cost of building housing. It's not a cost; it's an investment. What we see in Ottawa, in terms of the cases that I've worked on, is you're spending money on housing, but if you don't, you're just spending more on other services. You're spending more on hospitalization, you're spending more

on shelters, you're spending more on food banks, mental health services and everything else, not to mention the priority that if people don't have good, stable housing, they're not going to be able to maintain a job, not for any great length of time. It's too much stress in their lives. We see that all the time.

Just in closing, one of the things that I wanted to talk about was that there's a lot of discussion and a lot of debate we've been having with a lot of corporation landlords who support the use of rent supplements and shelter allowances, as opposed to building affordable housing, saying it's a quick-fix solution that can solve the housing problem now.

Rent supplements are where the tenant pays 30% of their income towards rent, and there are contracts signed between the government or the city—whoever is administering it—and they pay the balance of it.

They're also promoting shelter allowances as well, where they give a moderate amount of money to a family or individual. It's called a housing allowance, but they may have to use it either for paying for food or to keep hydro from being shut off, or whatever.

I think that studies have consistently shown that it's cheaper to build non-profit housing. It's expensive in the onset, but it pays for itself over time. It's something that stays in the community. It's owned by the community and it continues to house people, as opposed to rent supplements, which continue to go up every year with the annual rent increases and don't provide a stick of affordable housing at the end of the day.

I think that's about it. That's all I have to say.

The Chair (Mr. Kevin Daniel Flynn): Wonderful. Thank you, Rob. You've left about six minutes for questions. The questions this time come from the Liberals. Dipika or Soo?

Ms. Soo Wong: Can we get a copy of your presentation? That's my first question.

Mr. Rob MacDonald: I just scribbled some notes. I can leave those behind, though.

Ms. Soo Wong: Yes, that would be great. That would be good for us, for when we prepare our report.

Mr. Rob MacDonald: Sure.

Ms. Soo Wong: You made a comment, several references in your presentation, that in terms of poverty strategy, you're advocating that the government should focus on housing as the key piece when it comes to vulnerable populations and what have you.

Can you elaborate a little bit more? Because you see that as an investment, and if it is an investment, what number are we looking at of this investment?

Mr. Rob MacDonald: I don't have a financial number. I think what the Alliance to End Homelessness, which is a coalition of all the housing groups here in Ottawa—the shelters, the non-profit leaders in our community—is advocating for Ottawa is 1,000 units per year over the next 10 years. That's a number I certainly wouldn't dispute. We do have 10,000 people on the waiting list. Whether any of them get housed or not, that number always remains—it continues to grow every

single year. So that's a number that I would put out there, at least for our community.

I think in terms of the poverty reduction strategy and the budget as well, we're always disappointed if you're looking at, say, helping a person with their income and giving them a 1%—you know, like what we saw on the budget this year for the increase in social assistance: It was 1%. The rent increase just at the same time was 3.1%. Just these little drabs and little bits and pieces here and there that come through compromise—they might help keep them out of a shelter for a night or a week or a month, but they're consistently at risk. We need a strategy. We need something that's actually going to provide housing to them at the end of the day and something that's going to be more long-term than what we've been seeing.

It was disappointing. I'm not saying that housing was the only thing that should have been in there; what I'm saying is that we keep seeing everything but the bricks and mortar every time they're talking about housing. It's sort of like, "If a person is homeless, they need support services. If a person is homeless, they need mental health services. They need to know where the shelters are." They need housing. If they were to get that, you'd find there would be such a decrease in the support services afterwards.

Ms. Soo Wong: Mr. Chair, do I have time for one more question?

The Chair (Mr. Kevin Daniel Flynn): Yes, you do.

Ms. Soo Wong: I want a simple yes or no answer. The Premier has indicated that we should have a national housing strategy. Do you support that comment?

Mr. Rob MacDonald: Absolutely, absolutely. We're the only western industrialized civilization in the world that just doesn't have a national housing strategy.

Ms. Soo Wong: And given your comment about supporting a national housing strategy, has your group and your colleagues across Ottawa and beyond written to the federal government with respect to that?

Mr. Rob MacDonald: Absolutely, absolutely.

Ms. Soo Wong: That's all I wanted to know. Thank you very much. Thank you for your presentation.

Mr. Rob MacDonald: Great. Thank you.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Rob. Thanks for coming today.

CARLETON UNIVERSITY GRADUATE
STUDENTS' ASSOCIATION

GRADUATE STUDENTS' ASSOCIATION
OF THE UNIVERSITY OF OTTAWA

The Chair (Mr. Kevin Daniel Flynn): Our next presenter this morning is from the Carleton University GSA and the GSA of the University of Ottawa. Kelly and Seamus, if you'd like to come forward. Perhaps you can introduce yourselves for Hansard. You get 15 minutes for your presentation. Use that any way you see fit. The

questioning, if there's any time for questions at the end, will come from the PCs. The floor is yours.

Mr. Seamus Wolfe: Great, thank you. My name is Seamus Wolfe. I'm with the Graduate Students' Association of the University of Ottawa. I'm also the incoming deputy chair of the Canadian Federation of Students' National Graduate Caucus. I'm here with Kelly Black, the president of the graduate students' association of the University of Carleton.

We're also splitting up some of our comments today with the undergrads of the Student Federation of the University of Ottawa, who will be presenting this afternoon. So in the summary of our recommendations that's being presented to you right now, we will be briefly commenting on numbers 1, 4, 5 and 6. Then to give us all enough time to look at all of these, our colleagues from the Student Federation of the University of Ottawa will also touch on how tuition fees really hurt them at the undergrad level—so, number 1—and then they will expand on numbers 2 and 3. If you can leave the questions to 2 and 3 to the folks in the afternoon, and then all the other questions you have for us, that would be great.

Kelly is going to go ahead and start with our recommendations.

Mr. Kelly Black: Thank you. Thanks, everyone, for your time.

Recommendation number 1: Reduce tuition fees for all students, including international, graduate and students in professional programs, by 30% over three years.

I think everybody in this room is quite aware of the 30% grant that was brought in in the fall of 2011, an election promise made by the Liberal Party. While this grant seemed promising, it actually excluded a majority of students, including ourselves here as graduate students—we're not eligible for that grant—as well as part-time students, international students and students who have been out of school for four years. If anyone here is a public policy grad, you'll know that, unfortunately, that's not great public policy.

The grant isn't actually a tuition fee reduction. Tuition fees continue to rise—we'll see with the new tuition fee framework, but in the past, up to 5% or 8%, depending on your program, per year. So tuition fees continue to go up, some students getting a grant to pay some of that.

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I think you're also aware that students in Ontario pay the highest tuition fees in the nation. We also have the lowest per-student funding in the nation. Ontario undergraduate students pay 29% more compared to the Canadian average, while grads pay 41% more. Tuition fees are the most significant barrier that students face to accessing post-secondary education in this province. It prevents many middle-income and lower-income people from getting a college or university education, but it also restricts the educational choices made by students who are fortunate enough to be able to attend.

High tuition fees also have a discriminatory impact on racialized students because of systemic racism and economic marginalization. We see a push in this province to

recruit international students—and this is not just a provincial thing; it's national, it's global—which is fine, but the costs are increasingly high for international students.

At our local, we see our emergency grants going to international students at disproportional rates, and this is just a \$500 grant that we give them. Constantly, every year, our budget is blown on emergency grants to international students. That's fine, that's what we're there for, but we'd like to see a reduced strain on that for students.

All that is to say financial barriers have become the excuse for the creation of a costly and ineffective bureaucracy to administer a loans system that has transferred the cost of post-secondary education from the government to the students themselves. Tuition fees at Carleton University make up over 51% of the operating budget, so that's more of a private than a public institution at this point.

What we'd like to see is an immediate 17% reduction to all students across the board this year. That would be done by taking the money from the 30% grant and applying it to all students for a tuition fee reduction for everyone. That's good public policy. That means every student sees an immediate reduction in their tuition fees, rather than a select few students across the board.

I'm going to move down to recommendation 4, which we'll be speaking to, which is to eliminate the Higher Education Quality Council of Ontario, or HEQCO, and redirect funding for additional Ontario graduate scholarships. This recommendation actually requires no new money.

I'm not sure how many people here are familiar with HEQCO, but it is a supposedly arm's-length provincial body that undertakes research on the higher education system in the province, and it publishes many of its findings in various reports. Unfortunately, this arm's-length body has consistently made policy recommendations that undermine the actual concerns coming from university communities, primarily students, staff and faculty.

We saw recently at Queen's University that two PhD students were contracted to do research for HEQCO, and their research was actually changed by HEQCO, without their understanding, in order to suit the needs of HEQCO. As an arm's-length provincial body, we really have seen a lot of problems coming from them and it's actually, frankly, become an avenue for ministers' whims. We saw recently a huge mandate working group task put on by the previous minister, which basically went nowhere, unfortunately.

What we'd like to see is the approximately \$5 million for HEQCO put into Ontario graduate scholarships. Right now, 95% of graduate students in Ontario are not eligible for an OGS. They can't get it because there's not enough funding. Five million dollars to the OGS program would create 500 new Ontario graduate scholarships. And that's where innovation comes from. It comes from graduate research and the work that students do with their professors. If we want to see innovation in the Ontario economy, then we need to be funding Ontario graduate research. Thank you.

Mr. Seamus Wolfe: Let me move on to recommendation 5. Recommendation 5 is to double the daycare fee assistance program allocation and mandate that cities and municipalities cannot discriminate against post-secondary students applying for assistance. The lack of affordable child care affects all Ontarians who are parents and have difficulty accessing child care for their children. Students with children struggle to pay the highest tuition fees in the country, while at the same time having to pay exorbitant child care fees.

Despite some recent investments in early learning and child care by the provincial government, child care centres on college and university campuses continue to face cutbacks, funding threats and threats of closure. Moreover, the new provincial money is limited to a one-time stabilization funding that was announced last year. It is not enough money to provide base funding with affordable parent fees and reasonable staff wages that would allow the province to stabilize and grow child care services for families and student parents.

Additionally, the provincial child care subsidy currently in place is denied to students who study part time or are part-time workers. This disqualifies students who may not be able to afford to study full time from accessing subsidies that may be vital to their ability to afford child care or continue to pay their tuition fees. Many of the students who are most in need of this subsidy are not eligible to receive it.

Recently, the city of Ottawa barred graduate students access to subsidized child care. Forced to choose between crushingly expensive child care, coupled with soaring tuition fees, and completing their program, many students are forced to drop their studies and research. This is exactly backward policy. We need to be encouraging parents to further their education in order to get better jobs and provide for their families and for the province.

What the city staff are telling us is that one out of two applicants who are eligible according to your guidelines—according to the provincial guidelines and standards—are not able to receive assistance from the cities that administer these funds. In essence, the cities are forced to haphazardly decide who is more worthy amongst those who are worthy for these subsidizations. That's what their excuse was saying. It was saying, "We don't want to bar graduate students from this program, but we are forced to pick between who is most needy within those who are needy."

I think that if we can really face this head on and double the amount of assistance, cities will be able to fulfill the mandate that you are actually giving to them.

Recommendation number 6: Allocate funding for the creation of a provincial task force that will investigate the creation of a universal child care system in Ontario. There is strong evidence that shows that universal community-based systems are of high quality. Early childhood education and care are part of a backbone of strong economies. Early childhood education and care have short-term, medium-term and long-term economic and

social impacts on children, their parents, the labour force, local economies and the larger economy.

That said, we're not going to have time to go on about the benefits of a universal child care system, nor are we naïve to think that it'll be in the next budget. Therefore, all we are simply asking the province to do is to commit to studying the issue and creating space to further the conversation in this province. Create a provincial task force that would include researchers and community contributors, and bring in ideas from the province in town-hall-style meetings as well as online suggestions.

I think we still have a few minutes for questions. Perfect. So we're just going to end it there and have a few questions from the floor. Thank you.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Seamus. Questions from the PC Party. Peter.

Mr. Peter Shurman: Thank you very much, gentlemen. It's good to know that we're graduating people from our universities who know how to list the asks and come out and essentially over ask, because I think you were very realistic in your last comment. You can ask for a lot of things, but you don't get everything at once. I think you are obviously pretty intelligent, well read, and you know that we've got an economic crisis in the province of Ontario.

I want to talk to you a little bit, primarily about recommendation number 1. You talk about taking the current 30% situation and changing it to 17% and going across the board. My party, you may be aware, because you're kind of into the political sphere, has a white paper out that was written primarily by my colleague Rob Leone, the MPP for Cambridge, who happens to be a PhD in political science and a former professor at McMaster—so well versed in the educational system—and with a lot of input from groups like yours and from people in the professional range of colleges and universities.

The big problem—and I want your comment on this because I don't see going to international students, graduate students and doing this funding across the board—he was able to isolate is that young people go into university for an undergraduate degree, and they come out with a BA, BSc, that type of thing, with perhaps some major. They can't find a job, so they go to an applied institution—now they are seven years, approximately, in the educational system—and they come out with some kind of a trade or opportunity that meshes with the degree that they've got in the first place. All of this has been done, as you point out, at an exorbitant cost in the province of Ontario, not just to the students but also to the government. So we've talked about ways to alleviate that; for example, degree granting on a three-year program at the collegial level with transferability of credits so that people can get an opportunity to work and go forward. How do you feel about that? Because I don't see—with all of the asks that you've got and the kind of money that it costs—us being able to do it, and we're looking to alleviate the situation for students as much as you are.

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Mr. Kelly Black: Just very quickly on your last point about transfer credits, this kind of thing: That item is a good idea. That happens in other provinces. My home province of British Columbia—I live here now, but that's what happens there. So that's a good idea.

Yes, students are often graduating and can't find a job. That's not the problem of the post-secondary education system. That's your guys' jobs, and our job is to help, too. But it comes to a question of, what do we want under the post-secondary education system? Is it that everyone graduates and immediately gets a job in the field that they had, or is it that people are better citizens, people can go out—and, yes, maybe they'll go to college. I mean, there's nothing wrong with having that education to support your college degree—

Mr. Peter Shurman: No, but what is wrong is that there's an expectation—and maybe we've created the expectation as much as anybody else, in government—that you can go on forever in the educational institutions of our province if you need to or if you feel you want to and that there's always going to be funding there.

We're in a crisis. You can argue, if you want, that our generation created it. You may be right. That's why we need—and I'm not being patronizing here—smart guys like you to come along and take over from us. But we have so much money; it's the size of the pie, and we can slice it so many ways. What we're looking for is to create as much post-secondary or secondary education, if you want to put it that way—collegial and university education—for as many people as possible so that we can address the job needs of the future. What you're asking us to do, when we deal with international students, graduate students, students from professional programs etc., is spread the wealth and, really, in a way, deny many people.

Mr. Seamus Wolfe: No. We actually think that it's a better—first of all, to address your preamble, I think that it's very important, and I think we've created a kind of culture where we devalue college degrees off the bat. We should actually be putting more emphasis into encouraging folks to be first-stream college students.

Mr. Peter Shurman: We agree.

Mr. Seamus Wolfe: That we have no disagreements with. But we need to work to fund the college system to be able to let high school students know that is an option and that it's there for them and that it's very beneficial, both to society and their future. I have no qualms with that.

That being said, we think that the 30% tuition grant is a bad public policy. It would be much better spent—instead of the high administrative costs to go and pinpoint who it's going to, it would be better if it was across the board and more equitable that way. And it would be better for the costs of administrating the program as well.

The Chair (Mr. Kevin Daniel Flynn): Thank you both for coming today. Good discussion and good presentation.

Mr. Kelly Black: Thanks very much.

MUNICIPAL TAXPAYER ADVOCACY GROUP

The Chair (Mr. Kevin Daniel Flynn): Okay. Our next presenter is the Municipal Taxpayer Advocacy Group, Ade Olumide. Am I getting it close?

Mr. Ade Olumide: Close enough.

The Chair (Mr. Kevin Daniel Flynn): Good. Make yourself comfortable. You've got 15 minutes, like everybody else. Use that any way you see fit. If there's any time left over at the end for questions, it will come from the NDP this time. Welcome.

Mr. Ade Olumide: Thank you. Members of the committee, we have five central recommendations. Our focus has been on the Ontario government's fiduciary responsibilities to the municipalities because issues like binding arbitration and wage freezes already have visibility at the provincial and AMO level.

Our first recommendation is to implement changes to high-value sole-sourcing and/or contract cancellation laws. In the US, their threshold is \$20 million. This can be done by amending the AIT, the Ontario Broader Public Sector Procurement Directive and the Municipal Act. We estimate this to be a \$15-billion issue in direct and indirect costs. The province of British Columbia also agrees that the AIT agreement needs to be strengthened.

Specifically, some of the changes that we are requesting are that before you sole-source or cancel any contract over \$20 million, there be a third party, independent report—similar to what was done with the KPMG report for the F-35—that that report go to Parliament or committee, and that there be a public vote. That's one recommendation. We have a submission in writing so a lot of this is covered in detail in the seven-page submission.

As well, we need to expand or create a similar position, at the provincial level, to the Office of the Director of Public Prosecutions. We believe that when laws have been broken, it could be, if it involves the government, that the Attorney General's office would be in conflict of interest, so the federal government had moved to create the federal Director of Public Prosecutions who could then independently investigate this.

We also don't have a Canada trade tribunal, which we have on the federal level. We believe that's needed at the provincial level, and sort of a competition tribunal as well. There are some detailed recommendations there on what can be done.

The second recommendation is to freeze the ratio between compensation and property taxes. A lot of municipalities have steadily seen this ratio getting worse over the years. Pensions already have visibility, with OMERS's unfunded liabilities, but again, we have a two-page submission on the issue of pensions and compensation costs.

The third recommendation is regarding provincial unloaded money. We believe that what that does is it induces new spending. While we note that the Drummond recommendation said that it should go to infrastructure—

in Ottawa's case, we received \$32 million, but there was no documented prioritization process on how that money was spent. It did go to interest groups. From our point of view, a credit note to taxpayers or a payment of the principal of the debt would be an acceptable use of uploading funds. If that's not the case, then we question whether uploading is necessary because it just doubles up the spending and creates more room for municipalities to increase spending.

The fourth recommendation is that Ontario should implement no new money, which simply means that any politician or bureaucrat who comes up with a new program or a new idea of how to spend money should always accompany that recommendation with an equivalent cut under existing programs or spending—like, exactly where they're going to find the money to fund that new program they're proposing.

The last recommendation is to follow the lead of BC and have an auditor general expand his mandate to be able to look at municipalities and make recommendations on systemic changes. Some of those changes could be an outsourcing award or a P3 award. We have a two-page submission. We don't believe that enough of our municipalities are taking advantage of PPP Canada, which was created by the federal government. We believe that any new capital project should have to include a P3 cost-benefit analysis. There are lots of innovative things happening and municipalities could be recognized through an award.

We note that Halifax is looking at outsourcing their financial functions—IT, SAP—to their province. While this could achieve economies of scale, we much prefer outsourcing to the private sector because then you don't have the post-employment liabilities.

So this is a summary of the five broad recommendations. Thank you.

The Chair (Mr. Kevin Daniel Flynn): That's wonderful. Thank you very much for your brevity. The questions this time will come from the NDP. Cindy?

Ms. Cindy Forster: Thank you very much. Can you just explain a little bit further about the recommendation that would actually freeze compensation as it relates to property tax increases?

Mr. Ade Olumide: Well, the challenge we've found at the municipal level is that when we talk about freezing compensation, the challenge has always been union agreements. What we then said was that you can freeze it at a departmental level, which means that you could conceivably replace attrition by outsourcing to the private sector and still maintain that compensation bucket.

But then what we also further looked at is that the ratio of how much property tax revenue is being used to fund compensation has steadily increased. For example, in Ottawa, we're spending more on compensation than we have for property tax revenue. So if you freeze the ratio—you may not be able to improve immediately, but if you at least say you can't make it any worse, what it does is it forces city managers to think outside the box.

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Ms. Cindy Forster: All right. Then you talked a bit about the provincial uploading of dollars and that in the city of Ottawa, that was about a \$32-million upload.

Mr. Ade Olumide: Yes.

Ms. Cindy Forster: I guess the point you were trying to make is that that money actually wasn't, in effect, applied to reduce municipal taxes and that it was actually used to either provide more services or applied to some capital projects, and you believe that that \$32 million should have directly reduced taxes to the taxpayer. Is that the point you were trying to make there?

Mr. Ade Olumide: That is the point. In the case of Ottawa, we could say that the money was used to reward interest groups that had supported the mayor during his campaign for the mayorship. That was money that need not have been spent; it was stimulated by the receipt of new money. So then it's up to the mayor to say, "Well, what do we do with it?" type of thing.

Ms. Cindy Forster: And my last question is with regard to your recommendation to have an auditor general overseeing municipal spending. I assume you mean regional and municipal, local municipal spending? Would that be somebody appointed at a provincial level to do that, or are you suggesting that each regional municipality or local municipality would have their own outside auditor?

Mr. Ade Olumide: In the case of BC, we believe that they appointed a specific different person, who was formerly the head of Environment Canada, to be an auditor general for municipalities. We're always hesitant to create new positions, so our recommendation would probably be to expand the role of the current Ontario Auditor General to include municipalities so that systemic changes—there are changes that could come as a result of a case in one municipality that all municipalities would benefit from.

Ms. Cindy Forster: Okay.

The Chair (Mr. Kevin Daniel Flynn): Thank you very—

Mr. Ade Olumide: Do I still have some time?

The Chair (Mr. Kevin Daniel Flynn): Yes, you've got a little bit of time left. Do you have something else to add?

Mr. Ade Olumide: Well, I just want to expand a bit more on the changes we're requesting on sole-sourcing laws and why we feel that that's very important. We have written to all the Premiers and the Prime Minister of Canada. We believe that, when you look at the files regarding the F-35, when you look at the files regarding Presto, the files regarding the gas plant, the files regarding Samsung, this is upwards of—we're approaching, at least, over \$50 billion in the Canadian economy. What we feel is that even though there are all these agreements that already exist that require contracts to go to tender, what we need is some teeth to enforce those penalties that are independent of the political office.

What we would like to see specifically is that, if you had a Director of Public Prosecutions—right now the

Director of Public Prosecutions federally can only look at criminal law. What we would like the Director of Public Prosecutions to also be able to look at is civil law, so that if an agency has acted in a way to cause harm to taxpayers, they would have the legal authority to go after whoever was responsible and recover damages. We feel that that is sorely missing.

When we talk about a vote in Parliament, we find it frustrating that a lot of these files or misuse of taxpayer funds were discovered after the fact. We believe that it's very important that the government focus on systemic changes that would prevent that, because Parliament always has the right to sole-source if they choose to, but if there is a public discussion in Parliament—if there is a third party independent report on the financial risks of sole-sourcing at, for example, 13 times the going rate of hydro—then the public would obviously be aware, and that would induce a vote that would reflect the will of the public. Right now, we find out after the fact.

I'm not aware that any jurisdiction has extended these laws to include cancellation, but certainly, when you're going to cancel a contract, the financial risk to the taxpayer should be discussed publicly so that that would then inform the votes of the parliamentarians.

We also highlight that in the US—and we believe this is an insufficient requirement, but it's a requirement nonetheless—if you're going to sole-source any amount over \$20 million, you have to have a written justification, and I guess the purpose of that is that if you have to justify it in writing, it exposes you to litigation, should your reasons prove to be against the public good. Our feeling is that even in that case, you still need an independent enforcement officer, and we again repeat that the federal government has taken huge steps with the Canadian trade tribunal, with the Director of Public Prosecutions and with the Competition Bureau to ensure that citizens and corporations are protected, independent of the assessment of the Attorney General's office, which has broad discretion.

The Chair (Mr. Kevin Daniel Flynn): Thank you. We appreciate your attendance here this morning.

ISOLARA SOLAR POWER

JAZZ SOLAR SOLUTIONS

OTTAWA SOLAR POWER

CLEARLY SOLAR

SOLPOWERED ENERGY CORP.

The Chair (Mr. Kevin Daniel Flynn): Okay, ladies and gentlemen, our next delegation is iSolara Solar Power. David Cork and Suzanne Cyr, if you'd like to come forward. Make yourselves comfortable. You've been here for a while, so you know what the rules are.

Mr. David Cork: I think we do, thank you.

The Chair (Mr. Kevin Daniel Flynn): That's great. Questions this time around, if there is any time left for questions, will go to the government side. It's all yours.

Mr. David Cork: Honourable members, thank you for the opportunity to speak with you today. My name is David Cork. I'm the vice-president of sales for iSolara Solar Power. We're a local solar system integrator serving eastern Ontario customers since 2003. My colleague here is Suzanne Cyr. She's vice-president of sales for SolPowered Energy, also based here in Ottawa.

We're here today to represent the views and ideas of the five local solar companies as named on the agenda. Our intent is to provide a clear, factual assessment of the very positive impact of the Green Energy and Green Economy Act here on the local economy in Ottawa.

We thought it might be helpful to begin by sharing our perspectives on the status of the solar industry today. We will then provide our thoughts on the upside growth potential for the next five years. In doing so, we hope we will present the best case for continuing and growing the microFIT and the small FIT programs.

Our objective today is not to ask for money, but rather to ask the committee to seek ways within the budget process to facilitate even greater job growth in the sector, to help us to leverage our skills and expertise into the export markets and to ensure that we keep both the benefits and the profits from our efforts here in our communities.

Based on the experience of our five companies, we can paint a pretty accurate picture of a typical Ontario solar installer, and I thought that might be of interest to the committee.

The typical solar installation company is now two to three years old. It grosses \$4 million to \$5 million a year in annual sales. It sells microFITs and small FIT projects up to 250 kilowatts in size. Larger FIT projects are typically out of reach for this size of a company.

The typical solar installation company has a staff of between 15 and 25 employees. It further uses five to eight subcontractors, including electrical contractors, structural engineers and roofing companies, on a particular job basis.

The typical solar installation company has a warehouse, a staging facility, one to two service depots and a main office.

The typical solar installation company services customers in a fairly tight geography, typically up to a two-hour drive from a local service depot, and they use mostly home-based sales reps.

The typical solar installation company runs three to five crews, owns four to five vehicles, two to three trailers, and has local rentals of various equipment, such as scissor lifts, boom trucks and mini excavators, as might be required on any job.

Perhaps there's nothing surprising in what we've listed so far. It all seems pretty obvious if you're running a small business. But here's what you find if you probe a little deeper: The typical solar installation company has developed a very broad set of competencies, including technical sales, design engineering, project management, skilled tradespeople, team leads, customer service technicians plus the usual management and administrative support.

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The typical solar installation company has invested heavily in sales force automation, online estimator tools, inventory management tools, supply chain management, and some form of AutoCAD is absolutely necessary. You simply cannot compete today without them. Today, information technology is clearly an essential element for each of us.

I chair the microFIT working group for CanSIA, which is the Canadian Solar Industries Association, and I can tell you there are over 120 similar companies across Ontario, some a little bigger and many more that are smaller. These are good local jobs. Province wide, we now estimate 3,200 direct hires and 1,200 indirect jobs from companies such as ours. This represents currently about \$140 million in wages, \$27 million in capital that had been invested by the business owners and about \$12 million in ancillary services.

HST collected on the solar installations and the capital equipment exceeds \$87 million.

Collectively, we have created an industry, but do we have a market? Well, after three years here in eastern Ontario, we've made a very good start. We've installed almost 1,000 microFIT systems; 90% of this, however, has been in rural and small towns. That comprises about 16 megawatts of installed capacity; it's currently generating 22 gigawatts per year and saving 3,600 tonnes of greenhouse gases annually, which is about 40,000 trees.

We have driven system prices down from over \$75,000 for a typical microFIT installation two years ago to under \$40,000; it's now affordable to most households. We've improved installation times from eight to 10 days on a job site two years ago to under four days now. The bottom line is that the Ontario-installed cost per watt is now closing in on global pricing; it's tracking very close to the 8% per year reductions that we've seen globally in the industry over the last 12 years.

Another point that's worth noting is that only now, after three years, have all the institutional supports been finally put into place. The big five banks are now willing to finance 90%—in some cases 100%—of the capital costs of a solar installation based on the fact that there's a secured revenue stream for 20 years.

Insurers are now willing to provide simple riders on home insurance. When we first started, if you put a solar panel on your house, your insurance company would tell you that you had now voided your house insurance and you had to take it off. They didn't understand, so they objected and rejected.

The local utilities and ESA inspectors are now familiar with not just the technology, but with the installers and the processes that are in place. I can't tell you the number of hurdles that we've gone through over the last three years trying to get people to actually allow us to connect when we have competent people making those connections.

Rules for building permits have either been clarified, simplified or, in some cases, as in the city of Ottawa, which took a bold move, eliminated entirely.

Another bright spot: St. Lawrence College moved very quickly to put in place a solar installer program, and they're now graduating 40 to 50 students annually. We hire from them every year from their graduating class. They come out after a six-month diploma program and then we teach them the actual practical hands-on that they need to be able to do this in a quality manner.

We see huge potential for growth in solar over the next five years. In fact, we see a tenfold increase in the level of business that we're doing currently. How did we come to this conclusion? Well, the urban markets remain almost untouched. As of February 15, Hydro Ottawa reported 428 homes inside the municipality of Ottawa—that's out of 200,000 single homes and semi-detached homes. That doesn't include condos; it doesn't include multi-unit dwellings. So you can see, we're just barely scratching the surface here. In fact, the potential, we believe, is to reach one in five of those homes, which would be 40,000 customers, not 400.

Small businesses cannot own a microFIT project. This is, in our opinion, a flaw in the program design. It's not the case in other jurisdictions, and that alone would add another 15,000 sites within the city of Ottawa.

The small FIT program has now restarted but there was a two-year hiatus. The potential for the small FIT, particularly within the urban cores, could triple the size of the microFIT market, so if you take the numbers that I've already provided and triple them, you can certainly see why we believe a tenfold increase is well within our grasp.

I think it's worthy to mention that distributed solar generation, particularly in the urban and suburban centres, carries huge benefits that other renewable technologies do not. Solar provides a reduction in peak demand that the Ontario Energy Board set as a top priority for the local distribution companies; as an example, the Hydro Ottawa reduction target is 85.6 megawatts by 2014. If you take a look at the 16 megawatts that we've produced just through the efforts of the microFIT program, that could go a long way towards that target. Their conservation efforts as of last year—they reported a 6% achievement of target, so there's clearly an opportunity here for solar to help with that peak-reduction objective.

Solar also provides zero contribution to the surplus base generation, the problem where we have to sell electricity, sometimes at a loss, to neighbouring jurisdictions when we have too much. This is not the case for solar. Solar, by reducing that peak demand, absolutely reduces the need to build or expand the transmission lines that bring remote power into our city centres.

Some 93% of Ontarians support solar in the communities, and they support community ownership of those assets. From our perspective, here's the bottom line: Globally, solar markets are expected to triple by the end of the decade. We want Ontario to win our share, so we'd like you to take away three messages.

Ontario has built a foundation for a new industry in record time; we want to leverage that. Our expertise is valued outside our borders. People from our individual

companies are currently looking at projects in new, emerging markets, both in Eastern Europe, the Caribbean and in the Philippines. These people outside recognize the expertise we've developed and they want to tap into that, but we need a vibrant home market in order to compete on the world stage.

I want to leave you with a few slides; I think you'll see some graphics there to demonstrate what remarkable successes the German market has achieved in the 22 years since they introduced their feed-in tariff back in 1991. As one of the founders of the Ottawa Renewable Energy Cooperative, I can tell you that our co-op members are absolutely inspired by this example, and we want to see this happen in Ontario.

The first slide provides absolute proof that you can grow GDP while reducing greenhouse gas emissions. The second slide shows the positive contribution solar makes to reduce peak demand; those are actual numbers taken in May 2012, on a particular day where 30% of their demand was produced by solar. The final two slides show how they have empowered individuals—you can see in the one slide that 51% of the ownership is owned by individuals, 11% by farmers and community groups. To own investments in renewables—you can see that Ontario now has 43 renewable-energy co-ops that are registered within the province. All of them are brand-spanking new. Germany had several hundred after their first four years, so you can see we've got a long way to go, but we have some inspiring examples around the world that we aspire to replicate. Thank you.

The Chair (Mr. Kevin Daniel Flynn): That's great, David. Thank you very much.

We've got a little bit of time left for questions, just under three minutes. Dipika?

Ms. Dipika Damerla: Thank you so much for your presentation. It's nice to get, once in a while, a full picture of the solar industry and how we're doing, so thank you so very much.

I did want to ask a question, because the opposition never misses a chance to say that the reason for Ontario's electricity prices going up is renewable energy. My understanding is that less than 2% of Ontario's electricity now is solar and wind, so I want to get your sense of how accurate this positioning is, that the reason Ontario's electricity has gone up is because of solar and wind.

Mr. Peter Shurman: You spent billions to get 2%.

Mr. David Cork: I'm sorry, did you want to add something?

Interjection.

The Chair (Mr. Kevin Daniel Flynn): No, no, no. We're still going through the Chair here.

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Mr. David Cork: I think it was a matter of both convenient timing and coincidence that hydro rates and hydro bills were raised considerably at the same time that the Green Energy Act was announced, so fortunate perhaps for some people and unfortunate for others.

Ms. Dipika Damerla: I'd like the facts. I'd like to get your perspective.

Mr. David Cork: The true facts are that solar, and even the microFIT, across the province—we have 130 megawatts compared to the 10.7 gigawatts of capacity that renewals are intended to produce. So I would say that if you can find the rounding error on the rounding error and attribute that to solar, you'd be probably in the right ballpark. It is absolutely not the key driver for rising hydro costs.

To put one more fact on the table, the current levelized cost here in the Ottawa area—what that does is it takes all of the costs of a project over 20 years, all of the maintenance and all of the revenues, and brings it back. It's about 29 cents per kilowatt hour for solar.

Now, there are jurisdictions where they are at 31 to 42 cents. Clearly solar is ahead of the market here in Ontario. Our peak pricing is at 16. Within four to five years, we will be in a position where solar will be able to produce on a net metering basis equivalent to costs for consumers, but we are three to five years from that.

Ms. Dipika Damerla: So the bottom line is none of this none of this green FIT has resulted in hydro prices going up.

Mr. David Cork: I can't say none of it, but I would have a hard time to tell you how small—

Ms. Dipika Damerla: Like 0.1%? Okay. Anyway, we get the point.

Do I have time for another question?

The Chair (Mr. Kevin Daniel Flynn): Unfortunately, you don't. Thank you, anyway, David. Thanks for coming today.

ONTARIO COUNCIL OF HOSPITAL UNIONS

The Chair (Mr. Kevin Daniel Flynn): Okay. We've got next the Ontario Council of Hospital Unions. Michael? Come forward. This wouldn't be an unusual venue for you, so you know the rules: 15 minutes. You can use that any way you like. If there's any time left at the end, the questioning will go to the PC Party this time.

Mr. Michael Hurley: Thank you very much, Mr. Flynn. My name is Michael Hurley, and I'm the president of CUPE's Ontario Council of Hospital Unions. We represent about 30,000 acute and long-term care workers at 65 hospital corporations across Ontario. We're really appreciative of the opportunity to talk with you today about the provincial budget and the unique opportunity that a minority government presents to perhaps cobble together a budget a bit more sensitive to the needs of Ontarians.

I was going to read to you some excerpts from a hot-line which we have been running over the last year, asking members of the public to talk about their experiences in being discharged from hospital prematurely as a result of the funding constraints which exist. But I realize that probably each of you, as active members of provincial Parliament, receive those calls yourself and know the particular personal impacts that the constraints on hospital funding are having.

The Auditor General estimates that hospitals require about 5.8% increased funding a year in order to keep pace with their inflationary costs, which, as you know, are higher than the general rate of inflation because of the costs of medical technologies and doctors' salaries, increased utilization etc. In fact, hospitals are being held to zero this year and it was zero last year. In all of your constituencies, you are seeing it playing out: the downsizing in Sarnia, in Niagara, in Perth—just close to here in Ottawa—here at the Ottawa Hospital, now at Saint-Vincent Hospital and so on across Ontario. Bed reductions are occurring. Services are being moved ostensibly out of hospital into the community. In fact, increased funding for those community services is not materializing. So we have a large reduction in services—and I point to Perth and Smiths Falls, very close to here; 12 of their beds are closing out of 108 in one year of a budget cycle, and programs like palliative care are being cut back. The emergency room is being cut back. Domestic violence and women's sexual assault is being eliminated as a hospital program. You might look for these services to be rematerializing in the community but they're not. In fact, the reinvestment by the government in the Ontario home care system, where 10,000 people are on waiting lists for home care, is paltry in comparison to the amounts that are being reduced out of the acute care sector.

So as you approach budgeting for this year, I would ask that you reflect on the fact that Ontario already spends about \$498 less per citizen than any other province does on its acute care hospital system, and it has the shortest lengths of stays, the fewest number of beds and the fewest number of staff for those beds of any province in Canada. I would put it to you that a higher level of efficiency is simply not possible from this system. I would put it to you that you can see the results of the constraints on hospital funding, which are requiring heroic levels of productivity from both the workforce but, more sadly, from the general public.

In terms of, for example, our incidence of hospital-acquired infections, which are actually dramatically higher than in other comparable jurisdictions in the OECD, we have a much higher death rate here in Ontario. One of the reasons for that is because we have a system which is operating at an occupancy level which has been demonstrated scientifically to be a major vector for the transmission of hospital-acquired infections like *C. difficile*, MRSA, VRE etc.

Scientists would tell us that about half of the 5,000 people who will die this year in Ontario checking in to a hospital for a hip replacement or some other procedure could be saved if we had a more stringent attention to infection control and a lower occupancy rate. But a lower occupancy rate is not possible in an environment where all three political parties actively support the downsizing of the acute care sector, and where the acute care sector is so dramatically underfunded. The services that are moving out of the hospital are moving into a system, the home care system, that is largely being funded on the

backs of a predominantly female workforce, which, thanks to the competitive bidding system that was introduced by the previous Conservative government and perpetuated now by the Liberal government, has resulted in the active exploitation of those women who, to a large extent, have no guaranteed hours of work and, as a result, no pension or benefits. In many cases, they're no longer paid mileage driving clients. I've talked to home care workers in places like Peterborough where they can drive for an hour to see a rural client and not be paid for that travel time and not be paid for their mileage. Those people are making \$12.50 an hour and they can't count on any regular employment.

That's the workforce that is delivering home care. As a result of that exploitation, Elinor Caplan found in her study that there's a 55% turnover in caregivers, which may explain why so many of your constituents complain about the rapidity with which their caregivers are turning over in this environment.

The reinvestments are not being made in home care. In fact, the deinstitutionalization and downsizing of the acute care sector is happening without a balancing increase in the supports which would need to be there in the community. It's a bit of a hoax.

So as we approach this budget cycle, I would ask you to seriously consider whether the hospitals can continue to deliver services in this province at the level of funding which they have been allocated. I would put it to you that it's simply not possible.

Finally, I would like to touch on the issue of poverty and, in particular, the fact that social assistance rates, which were dramatically reduced under the previous Conservative government, have been essentially held to a flat line or below the rate of inflation by this government, with the result that they are now substantially—as in the order of something like 55%—below where they would have been had the cuts not been made in 1995. As a result, we've got a tragic number of, particularly, single mothers with children who are struggling to keep their families fed, clothed and housed with incomes which are reducing every year and were chopped dramatically in 1995. These are women who are penalized by the denial of access to drugs and child care support funding if they take up work.

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The policy of the government around housing and the policy of the government with respect to social assistance need to be considered to be an active part of health policy. We can't effectively starve people for so long without having a dramatic impact on their health outcomes and without resulting in the need for them to be institutionalized down the road as a result of amputations or whatever from diabetes which has come on because of diet, exposure to cold etc. These are all issues which we need to deal with.

The Ontario Health Coalition, I think, put a pretty cogent case to you that, with respect to tax measures and particularly the extension of the Employer Health Tax to businesses like lucrative law firms which are currently

exempt from paying for their contribution to Ontario's health care system, there are tax measures available to make some of these things happen, and we would strongly encourage you to look at them. Ontario, in addition to having the lowest level of spending on its hospital system, which explains the multitude of individual tragedies which I hear about and you hear about all the time, also has the lowest level of corporate tax in North America, and these two things are just not sustainable.

Thank you very much for the opportunity to present to you.

The Chair (Mr. Kevin Daniel Flynn): That's great, Michael. Thank you. You've left just under five minutes for questions. It goes to the PCs this time. Jane?

Mrs. Jane McKenna: Thank you so much, Michael, for coming in and a wonderful presentation.

I am the critic for children and youth, and I did my white paper, which is a discussion paper, on a fresh start for children and youth. The one thing that I noticed—my paper could have been encapsulated with everybody else's paper—is that there is no system at all, and we throw band-aids, 1% and 2%, at programs that we have no evidence-based outcomes for.

I'm not sure if you read Toby Barrett's Welfare to Work, about exactly what you're saying: for people that go out to get a job, let them at least keep some of their earnings so that they're not penalized and taken off, because you need to encourage people. We have 600,000 people unemployed: 400,000 on welfare and 200,000 people that have stopped looking. It's been 10 years of this government, and we spend \$1.8 million more an hour than we take in; 20% of what we spend is borrowed money, and it's our third-largest expenditure.

I have a question. You brought up that last year was 0% and this year was 0% again. While we've been sitting through these committees for the last three days, we've had universities come in and talk about their 30% tuition, we've had poverty come in and talk about bedbugs, we've had full-day kindergarten come in and say great that it's coming, but how are we implementing it? So my question to you is, without putting any words in your mouth, do you feel hospitals are suffering because of the other programs that have been implemented?

Mr. Michael Hurley: Well, I think that hospitals are suffering because they are being funded substantially below their real costs, and there is an expectation of the Ontario hospital system that it can deliver levels of bed occupancy and efficiency which are unrivalled in the Organisation for Economic Co-operation and Development. No other industrialized country has as few beds as we do to population. No other country has as few staff for those beds or a shorter length of stay.

The expectation of the government is that there can be an ongoing downsizing, using the funding lever to accomplish that, and that that will not have a deleterious effect on the public. I guess I'm here to say I wouldn't agree with that notion; that in fact hospitals cannot sustain themselves. With an aging population which is getting sicker just naturally and presenting itself at the door

for treatment every day, with funding which is held at zero, it's just not possible.

Mrs. Jane McKenna: So I guess my question is, where is it going to come from, then? Where are we going to get the monies for it from?

Mr. Michael Hurley: One suggestion that the health coalition had made was to extend the Employer Health Tax to those businesses which are currently exempt. There is an inequity in the fact that the Employer Health Tax is applied to some businesses and not to others. That was one suggestion. Another was a reconsideration of the level of corporate taxation and taxes on Ontarians who are better able to pay—the wealthy. Those are both areas that I would suggest might be open to you as you reflect on where you might find money to meet some of the social needs which are apparent in these hearings.

The Chair (Mr. Kevin Daniel Flynn): We've got a minute left, so it's got to be a very short one.

Mr. Monte McNaughton: Sorry, Mr. Chair.

I just wanted to add that I sometimes question, with some of your comments, if you are also paying attention to the fiscal crisis and the jobs crisis we have in Ontario. You talk about raising taxes on businesses. We had a presenter in two or three presenters before you saying that if we continually create an environment that businesses don't want to come to, then—

Mr. Michael Hurley: These guys aren't paying any tax. That's my point: They're not paying the tax at all.

Mr. Monte McNaughton: Sorry, can I just finish? Then you can have a chance to comment.

Mr. Michael Hurley: Sorry.

Mr. Monte McNaughton: If we create this environment for jobs not to come, then we're not going to have the taxpayers to pay the taxes. That's my concern.

A couple of proposals that our PC Party has put forward: As you're hopefully aware, we have a massive deficit, but we think that we need to freeze public sector wages for two years as a temporary measure; and secondly, eliminate some bureaucrats such as in the CCACs and the LHINS. I wondered if you had a comment on the LHINS and CCACs.

The Chair (Mr. Kevin Daniel Flynn): Unfortunately, we don't have time for the comment, but certainly you can talk outside and you can get Michael's opinion on it.

Mr. Michael Hurley: Thank you very much.

The Chair (Mr. Kevin Daniel Flynn): I could guess what it might be, but perhaps you guys should talk.

Mr. Michael Hurley: Thank you.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Michael. Thank you for coming.

ONTARIO ECONOMIC DEVELOPMENT SOCIETY

The Chair (Mr. Kevin Daniel Flynn): Our next presenter this morning is from the Ontario Economic Development Society. Are Jordan, Elizabeth and Kyle with us? I'm going to guess it's Jordan and Kyle.

Mr. Kyle Stolys: Yes.

Mr. Jordan Dedier: Yes. It's Jordan and Kyle today.

The Chair (Mr. Kevin Daniel Flynn): The floor is all yours. You've got 15 minutes to make your presentation in any way you see fit. If there's any time left at the end, as you just saw, we'll use that for questions. Questions this time will come from the NDP.

Mr. Jordan Dedier: Okay, great. We're just going to keep the presentation short and sweet. I'd like to introduce myself again. I'm not only CEO of OEDS, which is a not-for-profit that pools university students to do research on municipal economics, but I am the policy coordinator and have been the acting policy coordinator of the Ottawa Chamber of Commerce over the last year and am currently being sworn in on the executive team. I'm also a student at Carleton University studying business law and double majoring in economics, with a focus on international political economy. Kyle is my research assistant and he also goes to Carleton University.

The topic of interest today is crowd-funding, and Kyle will be introducing that.

Mr. Kyle Stols: Crowd-funding is the innovative use of technology and social media to raise small amounts of money from large numbers of investors, usually online. It has already been effectively deployed in the not-for-profit sector and through donation and reward portal sites such as kickstarter.com. These portal sites list multiple offerings from various organizations and individuals.

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The issue here is access to capital. Access to capital is one of the biggest difficulties for entrepreneurs launching a small business. In the United States, President Barack Obama responded to this problem in April of last year, legislating crowd-funding, which provides investor protection to non-accredited investors willing to invest small amounts of money. Crowd-funding was the main feature of President Obama's new legislation: Jumpstart Our Business Startups Act, or better known as the JOBS Act.

If Ontario doesn't act, our businesses will be at an economic disadvantage with the other competitors south of the border.

Mr. Jordan Dedier: The Ottawa Chamber of Commerce has passed crowd-funding as a policy resolution through their board of directors. It is being submitted to the Ontario Chamber of Commerce in order to be advocated to the government to get legalized.

Four of the policy solutions that crowd-funding provides are: fostering a culture of innovation and smart risk-taking in order to become a productivity leader—these are all criteria, by the way, from the Ontario Chamber of Commerce Emerging Stronger report for 2013 that outline ways in which Ontario can have a prosperous economy. Three others are: taking advantage of new opportunities in the global economy, as crowd-funding is an idea from the global economy; identifying, championing and strategically investing in our competitive advantages in the global economy. As we well know, Ontario has a very highly skilled labour force and we are at risk of

losing our talent to the US, which has facilitated a better environment for access to capital for entrepreneurs.

We've basically come down in a policy resolution with recommendations, and this is how we do it when we submit a policy resolution to the Ontario Chamber of Commerce. Our recommendation would be to legalize equity crowd-funding with the following provisions: Create laws which allow crowd-funding intermediaries to register with the Ontario Securities Commission as either brokers or funding portals, and adopt equity crowd-funding legislation for the Ontario Securities Commission that resembles as closely as possible the US Securities and Exchange Commission, a crowd-funding model that is currently under development. Under this model, portals will be responsible for collecting a variety of information in order to ensure investor protection. And there are three criteria for institutions that are eligible to run crowd-funding portals, because not all institutions can. To meet this criteria, you basically cannot offer investment advice, cannot pay anyone to promote investments and cannot handle investor funds.

Any questions?

The Chair (Mr. Kevin Daniel Flynn): Very good. You've left a lot of time for an interesting discussion. Perhaps Michael or Cindy?

Mr. Michael Prue: Sure, a couple of questions. This, of course, is the finance committee and we recommend budget changes. Will any of this require money to be spent by the Ontario government?

Mr. Jordan Dedier: In the sense that this was a question—we work with a corporate lawyer whose name is Andrea Johnson, and she's actually put together this crowd-funding package from FMC. In terms of a budget expenditure, crowd-funding will be cost-neutral to government by nature of costs associated with crowd-funding being offset by participation fees charged to stakeholders. So money basically bounces back, in essence; there is no money that needs to be invested through budget.

Mr. Michael Prue: Okay. So this is just like the stock exchange: You invest in it, you take your risks and you either make money or you don't.

Mr. Jordan Dedier: Yes, pretty much. In fact, Andrea did describe it as that. It's something like a micro stock exchange, and it really helps facilitate access to capital. But I'll give you guys a personal story.

I founded a not-for-profit called the Ontario Economic Development Society. One of my first things that I had to do as young entrepreneur was get capital, and as we know, venture capitalists and angel investors don't like investing in start-up enterprises because they're very risk prone. In light of that, I needed a small amount of funding, just \$5,000, to kick a couple of things off—and usually that is the case for entrepreneurs—and I couldn't get it. Crowd-funding would allow me to use my Facebook, Twitter—practical things—to ask the public for investments in small amounts, and equity crowd-funding would allow me to give them back a percentage of my

business so that they're more incentivized to invest. It's pretty good.

Mr. Michael Prue: Okay. Well, but not too long ago, certainly in your lifetime, we did see the ABCs and all these innovative things in the United States implode a world economy. Is there any risk associated with crowd-funding? I mean, I've only read about it. I've seen what Obama has done about it, but I know that people are a little edgy around some of these new stock market techniques because they are so easily manipulated.

Mr. Jordan Dedier: Crowd-funding has got its own investor protections. If you look through the legislation, you can see that it's very secure. In fact, some have argued that it can be even more secure than not having it. It's in practice in Australia, the UK and the US. So I would say that these governments didn't make these decisions arbitrarily, and they know what they're doing.

Mr. Michael Prue: Well, we thought they knew what they were doing, too, five or six years ago, and it ended up that they didn't. Anyway, I'll let my colleague—

Ms. Cindy Forster: I think the only thing I have to ask is, has this legislation been passed in the States as well as in two other countries?

Mr. Jordan Dedier: Yes, it is in effect in Australia and the UK informally. The US has picked up on it as of April 5, 2012. After that point, the SEC was in a 278-day period in order to figure out logistics of investor protection and how exactly crowd-funding would run. In light of that, they're still doing that, and they're wrapping it up.

Ms. Cindy Forster: So in the countries where this is currently in practice, how many new businesses or how many jobs have been created?

Mr. Jordan Dedier: Great question. Kickstarter.com, after it started up, had funded \$159 million as the intermediary between entrepreneurs and the public as investors, for entrepreneurs. That \$159 million wouldn't have been available otherwise as start-up capital for all the start-ups that it funded. That's a lot of money, \$159 million, especially spread across a number of businesses. Since the success of kickstarter.com since its launch in April 2009—by the way, kickstarter.com is one of the first and a very popular crowd-funding site—over 20,000 projects have been successfully funded, \$200 million pledged to projects, and 1.8 million have backed projects. That was just in 2009.

I'm noting too, as well, that kickstarter.com is not equity-based; they're a donation-based platform. If anybody wants me to elaborate on that, basically, initially, before equity crowd-funding was legal, when you invested in a company, they would give you some kind of special product back. So let's say I started up a T-shirt company; I need money to start my manufacturing etc. If you invest in me, because the law doesn't allow me to give you equity in my firm, I can then give you a special-edition T-shirt or maybe 100, depending on your investment. They just do different donation services like that.

Ms. Cindy Forster: So how many jobs were created through this \$159 million? How many of those busi-

nesses are still operating from that \$159-million investment? We often see through our current grant and tax credit programs that the government will give a company \$1 million, and they're supposed to create 100 jobs. By the end of that year, the company has closed, they never got to 40 jobs, and it's kind of a lost investment. Do you have any details with respect to how many of these businesses that got kicked off by this program actually still exist three years later?

Mr. Jordan Dedier: Unfortunately, I do not have those numbers for you, how many businesses sustained after investment. But I would judge that, with \$159 million in start-up capital, a number of them did sustain. I would imagine that some of them failed as well, as start-ups do. However, without the \$159 million there in the first place, there would have been no extra jobs. It's an all beneficial kind of thing.

Yes, there are the investors who invest in a company and lose all of their money, but the beauty of crowd-funding is, for example, that they have caps. If you're making under \$100,000 a year, you can only invest up to 5% of your income. These are some policy logistics that are worked out. So you can't lose that much. You can only invest up to \$2,000 a year, let's say, if you're making under \$100,000. So how much money are you realistically going to lose investing in a number of projects throughout the whole year if one of them dies, or two, three?

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Ms. Cindy Forster: I don't have any more questions.

The Chair (Mr. Kevin Daniel Flynn): Great. Thank you very much, guys. Thanks for coming. We appreciate it. Good presentation, and good luck.

OTTAWA AND DISTRICT LABOUR COUNCIL

The Chair (Mr. Kevin Daniel Flynn): Our next presenter today is from the Ottawa and District Labour Council, Sean McKenny. Sean, are you there?

Mr. Sean McKenny: Yes, I'm here.

The Chair (Mr. Kevin Daniel Flynn): Come on forward and make yourself comfortable. You have 15 minutes for your presentation. If you leave a little bit of time at the end, that would be great. Questions this time around will come from the government side. It's all yours.

Mr. Sean McKenny: I'm just waiting for these two to finish their little chat. It's unfortunate that committee members aren't listening to the presentation. In any case, good morning. I would first like to thank the committee for the opportunity to present here this morning.

The Ottawa and District Labour Council, chartered by the Canadian Labour Congress, is one of the largest of the 130 labour councils across the country. It's also one of the oldest, dating back to 1872. Currently the labour council represents 92 union locals with a combined membership of over 55,000 working men and women, and is

the largest democratic and popular organization in the Ottawa area.

It continues to frustrate that government, in its attempts to balance budgets, find savings and reduce its deficit, does so on the backs of working people. At the same time, input directed toward these measures provided by some, including organized labour, is mostly met with polite acknowledgement, then just as quickly discounted and tossed aside.

Our economy benefits when government, with input from labour, business, community and individuals, initiates policy and legislation. How easy it has been and continues to be for government to choose workers as a mark, and in communities across this province and across this country it becomes fodder for talk radio and other like arenas. Marginalized workers, organized workers are all told it's their fault. As a result, a government's mismanagement is mismanaged even more by picking on and blaming workers for all that ills.

I wasn't here earlier this morning, but I have seen the list of presenters and I do know that a few of those continue with that rhetoric, with not a clue how to move us forward. Their presentations built upon a disdain for organized labour and suggestions that government continue to lash and thrash others who are marginalized, others who rely on social assistance and still others.

The current government's approach to balancing its books has been no different. It went after the workers yet again and, in doing so, went after our families, went after our children. It caused havoc and turmoil in our schools still felt today. It was wrong and history will record it that way despite this government's and the provincial Conservative Party's attempts to blame it all, once again, on the worker.

We've heard, and continue to hear, out of Queen's Park the leader of the Conservative Party not letting up and talking about continuing to pound away at workers and bringing in Americanized labour legislation and policy with not a clue about what that really means nor how ineffective it has been in other jurisdictions. It's quite sad, really.

The billions of dollars in tax cuts to corporations and the writing off of yet a billion more hasn't moved us forward nor created an economic climate that has caused significant job creation, but has furthered the divide between corporations and working people. A budget must ensure a balancing of the two.

Over the last few months in the city, in Ottawa, we've been working closely with our health care unions, including the Ontario Nurses' Association, the Ontario Public Service Employees Union and the Canadian Union of Public Employees, as well as both the Ontario and Ottawa health coalitions. My God, the stories that I'm hearing: the cuts to our hospitals, the elimination of jobs, the reduction in patient care. It's not made up; it's a reality.

It has been three years since working people in Ontario have seen a raise in the minimum wage. It's time for that raise, and the budget must reflect and deal with this inequality that has been created.

Our public services provide a service to all of those who live, work or visit here. The stability of our communities through these services must be protected. To even consider the privatization of anything now public would be a costly move and one that, over time, will negatively impact upon those requiring the service. That's a fact.

Suggestions to change or to alter the arbitration process, as has been discussed over the last few years as it affects municipal governments, are ill attempts to further divide and greatly shift what is currently a balance to yet another inequality that will unquestionably put a municipal government in the driver's seat. It becomes not an arbitrated process, then, but rather, through the discussed design, gives an advantage to a municipal government.

A green paper put out by the Ontario Federation of Labour talks to the 600,000 Ontario families that are struggling with incomes that are stagnant or declining. It talks to Ontario poverty rates rising faster than almost every other province. It talks to the more than 152,000 Ontario families on waiting lists for assisted housing. It talks to Ontario having the worst record in all the provinces in affordable housing investment. It talks to the fact that Ontario now provides less funding for public programs and services—from health care to education, from justice to disability benefits—than any other province across this vast nation of ours. That needs to change, and the upcoming provincial budget needs to reflect attempts to cause that change.

In the past, we've often heard the word "austerity" used—mostly misused. To some, it seems it has almost become their *raison d'être*.

Our province has been one that has for generations, for the most part, been moving forward, and built upon a caring people, a kind and considerate people—one built upon passion and compassion and one where our children possess those same attributes and characteristics; one built upon equality, not inequality; one built upon freedoms gained, not opportunities lost.

We hear some suggest that it's time workers and some others shared in some of the financial difficulties purported to be before us. Working people and the middle class didn't create budget deficits. To suggest wages are the root cause is based solely on an ideal. It's not reality and it's certainly not fact.

When our nurses and those working in our hospitals make suggestions on how to cause our health care system to become better by ensuring a proper level of care is provided without necessarily increasing costs, governments and others need to listen and give those front-line workers an equal voice and equal weight when measuring it up with a hospital CEO's. When our education workers say, "Don't do that. Please don't do that," don't do that.

Like the majority of workers in this province and elsewhere, a sincerity and a passion for the work they do is utmost every day of their working lives. The upcoming budget must first and foremost address the many inequalities that have been created. It must focus on not

just job creation, but good job creation. It must address the many tax loopholes available to large corporations and to the wealthy. Above all else—above all else—it needs to stop picking on workers and using them and their families as scapegoats simply because they appear to be an easy target.

Thank you.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Sean. There's ample time for questions, going to the government side. Phil.

Mr. Phil McNeely: Sean, I remember working with you back in my city councillor days, and you've always been a very forceful voice for the workers in our area, in Ottawa.

Nonetheless, we're in a situation now where we have an \$11-billion deficit. Some 60% percent of our costs are wages. Just looking at that from a government's point of view—and I think there's unanimity—we have to get down to a balanced budget, zero deficit.

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The challenges for governments throughout the world are much the same. I'd have to agree with you on the corporate power and where the dollars end up: at the top. That's getting worse in North America. It's getting worse here and everywhere. But would you look at the challenges that the government has and respond to that? It's wages that are our big expense. What can we do?

Mr. Sean McKenny: You know, Phil, I acknowledge our working together over the past, especially when you were a councillor at the city of Ottawa, and a good councillor as well. In fact, you and I had a discussion just a couple of weeks ago when the elementary teachers and OSSTF had a picket line set up outside your office. We had a chance to chat then, and I said the same thing, that I thought you were a pretty good guy. It just is frustrating. It doesn't make sense to me why a government does not talk to folks more.

I know some discussions have taken place—Smokey Thomas with OPSEU, Fred Hahn with CUPE. All of the presidents of the unions within the province, because that's who the government is targeting in respect to some of those costs: You need to talk. Another constant point of frustration—and coming from the building trades, I know it really, really well—is there is no one who is going to price themselves out of the market. A lot of working people and those front-line workers have ideas, good ideas and good suggestions, that the government needs to start listening to. But if a government is wasting money and is not spending money wisely, once again, as I said in my presentation, it's not fair that workers are the ones who are left to pick up the slack for the mistakes made by a government.

I think that all of those unions are more than prepared to talk. I think that if a government wants to truly be representative of the people, all of the people here, then it needs to have those discussions—not just going through a motion, but some discussions where there's dialogue, both are listening to each other and government listens to

the ideas that might be coming forward from those representatives of working people.

Mr. Phil McNeely: Thank you for that. Anyone else have a question? We have time.

The Chair (Mr. Kevin Daniel Flynn): Dipika?

Ms. Dipika Damerla: Again, thank you so much for your passionate presentation. I just wanted to ask this, just building on what Phil has said about the fact that our biggest challenge is that the Ontario budget is around \$100 billion, give or take a little, and about \$50 billion of that is wages. So that's where the rubber meets the road, I guess.

I just wanted your thoughts on the fact that—I hear you about some of the difficulties we've had, but we've also successfully negotiated wage freezes with some unions like the Ontario public service employees, the doctors and the French and English teachers. I just wanted your feedback on what you thought of that process.

Mr. Sean McKenny: I don't think it would be right for me to comment on some of those discussions that happened. I wasn't in the room; I wasn't a part of those negotiations. I do know that all of those folks who would have brought those measures to the membership are good people, people who want to see this province move forward.

I just want to go back to your comment again, because it's wages and that's the easy mark in that the wages that are paid to workers—that's where the rubber sort of hits the road too as far as we're concerned, because where's the attempt to close some of those loopholes that will bring more money into government in order to pay for some of these services? Why are decisions being made to write off \$1.4 billion owed in taxes by some of those corporations? I think those are the things that need to be addressed and looked at in order for things to proceed.

It's wrong and it doesn't make any sense. If you don't have the money, you're not spending money. We need to spend money in this province in order to create jobs, in order to provide business and corporations with a business that is going to be prosperous, that is going to be successful. So to hold the wages down, to freeze wages, again, when the workers did nothing wrong here, and they shouldn't be constantly and continuously paying for the mistakes of government—whether they do it in other countries or they do it in the United States, it's irrelevant, it's insignificant. I'd like to think that Canada rises far above all of those places, and we rise above them because we're good people; we're kind, considerate people.

The Chair (Mr. Kevin Daniel Flynn): Thank you very much, Sean, for being here today. I appreciate it.

Mr. Sean McKenny: You're welcome.

ALLIANCE TO END HOMELESSNESS
OTTAWA

The Chair (Mr. Kevin Daniel Flynn): Our next speaker this morning is Lynne Browne from the Alliance

to End Homelessness in Ottawa. Lynne, if you'd like to come forward.

Mr. Phil McNeely: Chair, I'd like to participate longer, but I'm going to have a root canal this afternoon.

Interjections.

The Chair (Mr. Kevin Daniel Flynn): Lynne, welcome. I'm sure you're going to introduce your colleague. You've got 15 minutes; use that in any way you see fit. If there is any time for questions at the end, they will come from the PCs.

Ms. Lynne Browne: All right. Good morning. First of all, I just wanted to mention that I haven't been beat up by the struggle to end homelessness in this province; I tripped at the Edmonton airport on a chunk of ice left on the roadway, so I bring colours with me.

The Alliance to End Homelessness, as some of you may know, is a non-profit, non-partisan organization. We have 43 member organizations, and in our presentation you will see the list of who they are. We call them the big players in homelessness in this city. These members provide emergency shelter, day programs, service and supports for families and individuals who are homeless or living at risk of homelessness.

With me today I have Mary-Martha Hale. Mary-Martha is on the board of directors of the Alliance to End Homelessness. She's been a past chair, but she's also the executive director of Centre 454, which is a day program provided by the Anglican Diocese of Ottawa.

We recognize the challenge Ontario faces and we appreciate the essential role the province plays in the successes we achieve in our community, but we also know that the Ottawa community could effectively end homelessness for individuals and families by meeting four targets in each year of a 10-year period. But that's going to take more investments from the federal, provincial and municipal levels of government.

We also know that our four targets are interrelated. You can't just jump ahead in one of them and think homelessness is going to reduce, because it doesn't; we've seen that already. You'll see the four targets there on our presentation. We've worked it out based on what has happened in our city and we've plotted it out into the future, so we can see exactly what's happening, and nothing different has occurred.

We come today with very specific recommendations. Our first is around jobs and housing. We recommend that Ontario launch a new funding program in this budget to link the creation of new jobs with the building of affordable rental housing. We know—all of us know—that construction and manufacturing in the non-profit sector contribute significantly to Ontario's GDP. They're just three of the areas involved. But this presents an opportunity. It's an opportunity to create more jobs and stimulate Ontario's economy while increasing the affordable number of places for people on a low income.

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Spending upstream to prevent homelessness is the only answer. If you provide a sufficient amount of hous-

ing stock that people can afford, they don't slip into homelessness.

Unfortunately, Ontario has, in the last three years, cut \$24.5 million from its affordable-housing spending. That means fewer jobs because somebody in construction builds those houses. Our non-profit agencies are not builders. We work with the other sectors in our community to make housing happen.

So we've gone from \$620 million down to \$595 million, and that's just not enough from Ontario. What we want is for Ontario's budget to show an increase—a substantial increase—in its investment in affordable housing in addition to what it does in the Investment in Affordable Housing program.

We also recommend that Ontario take action to protect renters. These have little monetary implication. They're a win-win for the province. They would reduce pressure on Ontario's affordable housing stock, and people with low or moderate incomes would have more purchasing power left in their pockets. That can only help this economy and the deficit.

The first is regulations to limit market rent increases on vacant properties. We're not telling you how much that should be. It can be 1% or more—whatever you think is going to make the difference. But what we have now in this city is not sufficient. When an apartment is vacant, the rent shoots up, basically. That excludes people with low incomes, even moderate incomes.

We want to see programs that mandate, from the province, the preservation of existing affordable housing that's rental and the building of new non-profit and other good-quality affordable rental housing.

We also want policies to mandate inclusionary housing programs from municipalities. Then our city can work with the rest of the community to develop our own regulations and approval process. But without the province taking the lead on that, the new housing that goes up in our community is all going to be for people with hefty incomes, and every unit has been that the private sector has built.

The non-profit and the co-op sectors have already shown that they're willing to undertake rental housing projects if the province provides assistance. As they have in the past, they'll work with the construction industry to make it happen.

What we know in our community is that market rents in 2012 went up 3.7% for a bachelor, 1.9% for a one-bedroom, 2.7% for a two-bedroom and 4% for a three-bedroom unit. Benefits on OW and ODSP went up 1%. Do the math. What's going to happen? It's really very simple. There's no disposable income when you're on income supports. You take from one area to pay the other. At some point, homelessness becomes a real crisis in your life.

We have recommendations, too, around income. We recommend an immediate increase to benefit assistance rates that reflects the real cost of housing, utilities and food in communities in Ontario. Changes like that are so long overdue. The rates have been kept far below the

poverty level in Ontario for decades. We also recommend immediate changes to allow people who find part-time work while on assistance to keep more of their earnings. It can only be good for this economy if the provincial government makes that happen right away.

Four recent Ontario decisions added to our community's difficulties; the province is making it worse right now, and that's not something you should wear. You eliminated the Community Start-Up and Maintenance Benefit. You mandated municipalities to help more people, but we have less money to do it with, so now the benefits and the assistance that municipalities provide aren't just for people on assistance; they are for anyone struggling on a low income. That says to me you need larger global programs that are going to make a difference. As I pointed out, benefits went up 1%. Rents for landlords? They were given 2.5%.

I'm going to ask Mary-Martha to talk a bit about what the implications of the status quo are in our community.

Ms. Mary-Martha Hale: Good morning. The alliance has put together and produced a report card over the last eight or nine years, and we've been doing an analysis of the trends over that period. The analysis of market rent and food cost increases in Ottawa compared to ODSP and Ontario Works increases is quite dramatic. People on low income need to spend whatever income they have just to get by, and any increase in their purchasing power will help Ontario's economy. The average rent for a bachelor apartment is \$700-and-some, and if someone's making \$599 in Ontario Works, it's just not going to be possible.

By 2011, Ottawa had seen an eight-year trend of increasing shelter use and length of stay in a shelter. The alliance believes that this should be a wakeup call for all Ontarians, but especially for MPPs. This is increased use of shelters and staying in shelters longer, even when investments have gone in to increase rent subsidies and increase the creation of affordable housing. We have seen action on the housing part, but we haven't seen action on the income part. It really does block people from moving into housing.

In 2011, the data provided in our report card—we're just about to release our 2012 report card; that should be released in early April. That will be on our website, but we'll make sure that members of the committee get a copy of that. Last year there were 7,243 individuals in the city that had to stay in an emergency shelter. Of these, almost 1,500 were children. It's not hard to understand why the 843 homeless families with low incomes in 2011 were having trouble covering their rent.

Worse yet, the average length of stay for a family in a shelter was 82 days before they could find housing in 2011. Imagine those children navigating changing schools maybe twice within a school year because they became homeless, and the issues that arise when a family is living in a shelter, in a one-room apartment or in a hotel here in the city.

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For 4,699 individuals who were homeless in 2011, the income and rent challenges faced by anyone receiving Ontario benefits or working for minimum wage were daunting, and in 2012, the challenges worsened. There's a table here in the report; it shows that in 2011, it was 121% for someone on Ontario Works—that it would cost them to rent a bachelor apartment. In 2012, it's 124%. It's definitely going in the wrong direction. Even for someone earning minimum wage, 40 hours a week, they're paying 46% of their gross income on rent; that's an increase from 44%. The Canada Mortgage and Housing Corp. indicates that the standard is 30%, so all of these categories are well above. For people on ODSP, a fully funded provincial program, 70% is being paid on rent in 2012. Those are for single individuals.

There is a cost to doing nothing more than what the province currently is doing to promote the creation of affordable housing and to provide adequate incomes in Ontario. We have three asks—demands? Suggestions?

Ms. Cindy Forster: Demands.

Ms. Mary-Martha Hale: Demands. Okay, somebody says "demands" over here.

Significantly increase funding for affordable housing in the next provincial budget. Funding will help local and provincial economies and will help people. Immediately raise Ontario Works and ODSP rates that will put housing within reach for recipients so that they are not having to dip into that. And create incentives for individuals on assistance to go seek employment. Thank you.

The Chair (Mr. Kevin Daniel Flynn): Thank you. Good time management. Unfortunately, there's no time for any questions, but I'm pretty sure we all got what you were asking for very clearly. Thank you for coming today.

Ms. Lynne Browne: And we'll be happy to send our next report card. It will be out very shortly.

The Chair (Mr. Kevin Daniel Flynn): Let's hope it's a better one. Thank you.

OTTAWA-CARLETON LIFESKILLS INC.

The Chair (Mr. Kevin Daniel Flynn): Okay, we're moving along now to Ottawa-Carleton Lifeskills. Jocelyne Paul, are you with us? Jocelyne, come forward; maybe you can introduce your colleague?

Ms. Jocelyne Paul: Good morning, everybody.

The Chair (Mr. Kevin Daniel Flynn): Everyone's going to be in a good mood, because you're the only thing that stands between us and food.

Ms. Jocelyne Paul: I will make sure I'm on time. I even have my timer here.

The Chair (Mr. Kevin Daniel Flynn): Thank you very much. You've got 15 minutes. You use that any way you see fit. If there is any time for questions, it will come from Michael or Cindy.

Ms. Jocelyne Paul: Okay, sounds good. Thank you.

Good morning again. My name is Jocelyne Paul. I'm the executive director with Ottawa-Carleton Lifeskills

and a board member with OASIS. With me today is Doug Anderson; he is also a board member with OCL and a former board member with OASIS. OASIS, which stands for Ontario Agencies Supporting Individuals with Special Needs, welcomes this opportunity, so thank you for that.

I do have a printout available; I think it's gone around. Perfect.

Highlights from that printout: OASIS is a province-wide association of transfer payment agencies that seeks to ensure cost-effective, high-quality supports and services for people who have developmental disabilities. OASIS is entirely voluntary; we have no staff and we have no offices. All the work is performed by individuals and committees on a volunteer basis. We represent 166 agencies across the province. We employ 25,000 individuals who support 35,000 individuals with developmental disabilities, and we receive approximately \$1 billion in operating funding, primarily from MCSS.

Transfer payment agencies provide supports and services in the forms of residential homes, supported independent-living programs, community participation and respite supports, and supported employment programs.

OASIS does understand the fiscal constraints that the government of Ontario is faced with in this economic period. We strongly support the vision of the developmental services sector, ensuring that the transformation of services results in a high-quality service system. We emphasize the importance of ensuring the maintenance of a strong, responsive and stable non-profit transfer payment agency system.

The following five points that I'll be talking about are the challenges that we are facing today, the first one being system capacity. Agencies are at a breaking point in terms of providing quality services. We're serving individuals with complex personal needs, an aging population, escalating demands for services, and we have not seen an increase in our base budgets over the past four years. These challenges have exacerbated the pressures on the sector and on service providers, who have reached their limits in terms of their ability to respond effectively to those pressures.

Our current challenges include: Residential supports are not available for those parents who have individuals that they're caring for. Individuals with high needs must wait several years for day programs and residential programs, placing ongoing stress on families and their caregivers. The changing needs of those within our service system require more sophisticated and varied supports beyond the current levels available; this requires significantly more staff training. There's increased costs of construction and real estate—for example, fire and building code regulations—and there's increased costs of staffing, especially in benefits and training, including the mandatory requirements under the new quality assurance measures regulation.

The second challenge is long wait-lists and few vacancies. The level of unmet need for community sup-

ports and services has never been as high as it is today, and the wait-lists are growing. We're mostly seeing the individuals—primarily the young people with developmental disabilities who are leaving schools, and older individuals who are living with aging parents.

We're requesting two things: that Ontario permit the supports and services to reach a broader range of people, encourage and allow new initiatives to be launched, and ensure the long-term financial and support stability of the sector. This must include the opportunity for long-term budgeting and financial planning, especially with the creation of reserves. We're asking that the government commit to ensuring that by 2020, every person who has a developmental disability—and their family—has access to the supports and services that they need to live in the community, free from poverty and in a manner of their choosing. We also need to ensure that agencies have the necessary funding to guarantee their sustainability and meet the legislative requirements to providing quality services and supports.

Our third concern is the impact of pay equity. I believe, Michael, you've had some individuals from our sector come and speak to you on this. Transfer payment agencies are governed by the pay equity legislation. Most agencies that were required to use the proxy comparison method for pay equity have not achieved pay equity and are still many years away from achieving this target. This is also creating in-sector inequities. Prior to the implementation of the proxy method for developmental services, we did not have a pay equity issue and we've always believed in equal pay for equal work. The developmental services sector is a leader in equity; more than 50% of the executive directors or CEOs are female. Many of our staff are also female.

Provincial funding has not been provided for the past four years for employers to make these adjustments. Each year, we're required to commit an amount equal to 1% minimum of the previous year's payroll. Without funds being committed to meet the legislated requirement, agencies are faced with millions of dollars in liability. This has put employers and their boards in a difficult position: They can either reduce staffing levels and support in order to meet their financial obligations or they can decide to be in violation of the pay equity legislation, not in compliance with the new quality assurance measures regulation, in order to maintain the support needs.

In a recent survey of agencies that provided pay equity, 44% reduced staffing or services, 31% used administrative efficiencies, 14% are carrying a deficit and 11% used other methods, including restructuring or mergers. Agencies are going to be faced with this dilemma for many years to come, and it's only going to add to the service pressures and to the wait-lists.

OASIS is asking for a change in the proxy regulations to allow for in-sector comparators, eliminating the in-sector inequities. This change does not require a new bill. A Lieutenant Governor in Council order can amend the proxy regulation 396/93 or repeal the existing regulation and introduce the new one.

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In the interim, OASIS is asking for a moratorium on proxy pay equity liabilities until the changes are put in place. Then once the changes have been made to the legislation or to the regulation, we ask the government of Ontario to fund the pay equity adjustments to completion.

Our fourth concern is changes to the Ontario Disability Support Plan. Similar to the Alliance to End Homelessness, many of our individuals are in similar positions that you have just heard about. OASIS supports the recommendations outlined in Brighter Prospects: Transforming Social Assistance in Ontario. Without the transformational changes, individuals on disability benefits are condemned to live a life of poverty. A simplified benefit structure must be created and include the recommendations as outlined in the Brighter Prospects report.

I'm taking a look at the time here. It's all outlined. The recommendations are in the document that you have in front of you, so I'm not going to go through all of those.

Our last concern is the creation of reserves. The budget process should be revised so agencies can effectively manage within their funding envelopes to provide greater flexibility in the planning and use of our resources. As I already mentioned, this must include the opportunity for longer-term budgeting and financial planning, especially in the creation of the reserves, and for transfer payment agencies to have four-year rolling budgets of their own with accountability measures in place for the purposes of establishing reserves to fund capital items and major repairs, as well as to develop innovative, cost-effective programs in a planned manner.

In summary, OASIS is respectfully requesting that the members of the standing committee support inclusion in the committee's final report of the following four recommendations—and this is found on your last page:

(1) That the Minister of Finance make a commitment to invest in the developmental services sector to ensure that by April 1, 2020, and thereafter, every person who has a developmental disability and their family have access to the supports they need to live in a community free from poverty and in the manner of their choosing; in the 2013-14 budget, to increase funding for the developmental services sector for the following purposes:

- assisting people currently without services, particularly where the need is urgent;

- stabilizing and rebuilding current service infrastructure and investing in a long-term human resources strategy for the sector;

- increasing the funding allocated to individuals through such programs as Passport; and

- supporting new opportunities for innovation by building on the ingenuity of families, friends and community as they collaborate in new ways with agencies.

(2) To make changes to the proxy pay equity legislation or to amend the proxy regulation to allow for in-sector comparators, placing a moratorium on proxy pay equity liabilities until the changes are put in place, and commit to funding pay equity adjustments to completion

once the changes are in place. That the Minister of Finance, at a minimum, makes an investment of an additional 2% on the current base budgets in transfer payment agencies for 2013-14 to enable agencies to meet their unfunded pay equity legislated obligations for 2012 and 2013.

(3) To commit funding to begin to address the recommendations of Brighter Prospects: Transforming Social Assistance in Ontario.

(4) That transfer payment agencies have a four-year rolling budget of their own, with accountability measures for the purposes of establishing reserves to fund capital items and major repairs and to develop innovative, cost-effective programs in a planned manner.

On behalf of our member agencies, OASIS appreciates the opportunity to present this submission, and we would be pleased to provide any additional information as you would like. Thank you.

The Chair (Mr. Kevin Daniel Flynn): Thank you very much. We've got questions from Cindy or Michael. We've got just under four minutes.

Mr. Michael Prue: This is the finance committee; we always like to know figures. How much is it going to cost for the minister to put the pay equity provisions that you're requesting into the budget?

Ms. Jocelyne Paul: What we're requesting for 2013-14 for the unfunded pay equity liabilities is \$34 million. That's what we're anticipating the approximate cost to be for that time frame.

Mr. Michael Prue: That's not unreasonable; that's not a huge amount of money on a \$115-billion budget. That's pretty small potatoes.

Ms. Jocelyne Paul: It's a \$1.6-billion budget, yes.

Mr. Michael Prue: Yes, okay, on yours. I'm talking the overall one.

Ms. Jocelyne Paul: Yes.

Mr. Michael Prue: So we've got that. You've recommended someplace in here that the recommendations of the Lankin-Sheikh report be implemented as well.

Ms. Jocelyne Paul: The Brighter Prospects report? Is that what you just said?

Mr. Michael Prue: Yes.

Ms. Jocelyne Paul: Okay. Yes.

Mr. Michael Prue: Any idea what that might cost?

Ms. Jocelyne Paul: That one I do not have a figure on. I'm sorry.

Mr. Michael Prue: No, I wouldn't expect you to, because there are so many recommendations—some of them don't have costs at all, and it depends how it's phased in.

Ms. Jocelyne Paul: That's correct.

Mr. Michael Prue: I want to leave some time here for my friend. I'll let her go, and then if there's time, I'll come back.

Ms. Cindy Forster: There were some changes, actually, to some of your funding programs this year. I've been meeting with parents of adults who have reached age 21. They can't go to school any longer, with the Passport funding, and the impact that that is having on

families—not only on the families, but on the individual. Parents have shared with me that they've seen a huge change in behaviour and personality once these adult children have actually left school. Now they're at home; they have no funding mechanism available to get them into any kind of social activities because of the wait-lists for day care programs and those kinds of things. What is the provincial impact of that? How many of these individuals are actually sitting out there in the same situation as I've heard about in my own riding?

Ms. Jocelyne Paul: What we approximate is that there are approximately 25,000 individuals waiting for supports on the wait-list, either residentially or through day support programs. If there is funding provided in any one of those areas, that reduces the need for crisis and that funding can be provided to families and/or agencies to support those who are on the wait-list.

Ms. Cindy Forster: And what would the total cost of that be in a year, if you were able to provide appropriate supports?

Ms. Jocelyne Paul: It would really depend on the needs of the individuals who are looking for services. We can have—

Ms. Cindy Forster: Average it.

Mr. Doug Anderson: We haven't done that kind of analysis that says, "There's this many, and this is what's going on." We haven't done it because the needs are so varied.

Ms. Cindy Forster: Back to the question that Michael asked on pay equity—the 2%, the pay equity piece. It's \$34 million for the 2013-14 year, but that still doesn't meet your pay equity requirements, just making that adjustment.

Ms. Jocelyne Paul: That does not.

Ms. Cindy Forster: So how many years of 2% are you going to need to actually get to pay equity?

Ms. Jocelyne Paul: We have done a survey, and some people would not be completed until 2090. It's a significant way out right now. To completely meet all the unfunded pay-equity obligations and have this be finished and resolved, \$180 million is what we've anticipated.

Ms. Cindy Forster: So \$180 million would actually achieve pay equity? For how many employees in the system?

Ms. Jocelyne Paul: We're 166 members here, and we're around 290 transfer payment agencies in Toronto. I would say it's going to be approximately 290.

Ms. Cindy Forster: Thank you.

The Chair (Mr. Kevin Daniel Flynn): Thank you very much for coming today.

Ms. Jocelyne Paul: You're welcome. Enjoy lunch.

The Chair (Mr. Kevin Daniel Flynn): We will. It will send us in a happy mood. Thank you.

Ms. Jocelyne Paul: You're welcome.

The Chair (Mr. Kevin Daniel Flynn): Okay. We're recessed until 1 o'clock.

Ms. Soo Wong: I just want to let the members know that Mr. Naqvi knows about the second deputant, about the bedbugs, the whole kitchen thing. He knows that

resident, he's aware of it and he's following up. Okay? People need to know that.

Mrs. Jane McKenna: I gave you information.

Ms. Soo Wong: Yes.

The committee recessed from 1158 to 1300.

PROFESSIONAL FIRE FIGHTERS ASSOCIATION OF ONTARIO

The Chair (Mr. Kevin Daniel Flynn): Our first presentation for the afternoon is here, and it is Chris Francescone from—I've got your card here—the Professional Fire Fighters Association of Ontario, district 2 vice-president, from Belleville. Have a seat. Just like I explained a little earlier, you've got 15 minutes. You use that any way you like. If there's any time left at the end, one of the parties will ask you some questions. I think it's the Liberal Party's turn now, right? We finished with the NDP. It's all yours.

Mr. Chris Francescone: Thank you very much. Good afternoon. My name is Chris Francescone. I'm a firefighter in the city of Belleville and the district 2 vice-president for the Ontario Professional Fire Fighters.

The Ontario Professional Fire Fighters Association represents just over 11,000 professional full-time firefighters across the province of Ontario. Our members provide emergency response, training, prevention, inspection and public education, fire investigation, emergency communications, and maintenance for much of Ontario's fire services.

Our membership is represented through 80 associations; 77 of them are municipalities, and we have two airports, Pearson and Ottawa, and one industrial, which is Chalk River. Relying on the most recent Census of Canada data, 77 municipal locals respond to the needs of 81% of Ontario's total population.

I'd like to thank the committee for the opportunity to appear here this afternoon before the Standing Committee on Finance and Economic Affairs as you conduct pre-budget consultations.

This afternoon I'd like to spend a few minutes talking about two topics of interest and concern to Ontario professional firefighters, the first being a request that you recommend extending occupational disease coverage for firefighters by six more cancers. Those cancers are multiple myeloma, lung, skin, testicular, breast and primary site prostate cancers.

The second matter I'd like to discuss is interest arbitration as it relates to firefighters and resolving collective bargaining impasses. The reason that we raise the issue of interest arbitration here in pre-budget consultations is that last year the "strong measures for Ontario act" introduced a set of amendments to six statutes: the Hospital Labour Disputes Arbitration Act; the Police Services Act; the Toronto Transit Commission Labour Disputes Resolution Act; the Ontario Provincial Police Collective Bargaining Act; the Ambulance Services Collective Bargaining Act; and the one that I fall under, the Fire Protection and Prevention Act.

While the proposed amendments were removed from the budget bill in committee by the opposition parties, we understand that the intent of the government is to re-introduce similar amendments.

Let me start out by being clear in our association's position: The system is not broken. The interest arbitration system is set up to settle collective bargaining impasses with a goal of having an arbitration board replicate what is believed to be what the outcome would have been should the dispute have been settled through the collective bargaining process.

From our own internal review comparing the results of freely negotiated firefighter settlements with arbitrated decisions over an eight-year period, we believe the difference is only about 0.16%. By that, we mean that arbitrated awards have been, when averaged out, only 0.16% higher than a freely negotiated settlement. I would say that this indicates that arbitrators are performing as they should, and that the system is doing what the system was designed to do, and that is to replicate freely negotiated bargaining.

Speaking to and referencing interest arbitration in a broader context, attached appendix A is a chart that shows comparisons between interest arbitration awards in the private and broader public sector, and the broader public sector in right-to-strike or lockout sectors versus compulsory arbitration essential services sectors.

Those stats were prepared by the Ministry of Labour. When we review the statistics, you will see that from the period of 2001 to 2010, which is the most recent 10-year period, the increases in the broader public sector are 2.95%; the right to strike/lockout sector, 2.95%; and the compulsory arbitration system, 2.93%. So in the essential services sector, interest arbitration, and the threat thereof, is not resulting in higher wage increases than elsewhere in the broader public sector.

Recently, there has been much reference to the Drummond commission and their review of interest arbitration. We remind you that the Drummond commission came to the conclusion that the interest arbitration system is not broken. The commission said, and I quote from page 371 in chapter 15 in the commission report: "Our research leads us to make recommendations to improve the arbitration process. But we hasten to add that we do not find the system to be broken."

There has also been much attention to and focus on the ability to pay, or, as some phrase it, the inability to pay, and the economy. I think it's important that we also remind you that the language in our current act already indicates criteria related to the ability to pay and economic conditions.

Subsection 50.5(2) of the FPPA, which outlines the duty of the board and which lists five criteria the board shall take into consideration, says, "In making a decision, the board of arbitration shall take into consideration all factors the board considers relevant, including the following criteria:

"—the employer's ability to pay in light of its fiscal situation;

"—the extent to which services may have to be reduced, in light of the decision, if current funding and taxation levels are not increased;

"—the economic situation in Ontario and in the municipality."

The criteria go on to include comparisons between firefighters and other public and private sector workers, and "the employer's ability to attract and retain qualified firefighters."

Clearly the act already includes the ability to pay and the economic conditions as criteria that shall be taken into consideration. The irony is that municipalities, for the most part, do not produce hard economic data during the arbitration process to support the inability-to-pay argument and then, for political purposes, criticize the system.

Another aspect of the arbitration process that was amended in last year's provincial budget was with regard to timelines. It was proposed that an arbitrator be required to issue the award within 12 months, and later that changed to 16 months, of referral.

Should the arbitrator not issue a decision within the specified time frame, the matter would be referred to the Ontario Labour Relations Board for a quick resolution. Issues in dispute before arbitration boards can be very complex operational issues or very sector-specific. There may be expert witnesses or detailed evidence presented, as in the case of the Belleville arbitration hearing; expert witnesses have been called by both parties. The OLRB does not have the experience nor the expertise in interest arbitration.

1310

Secondly, on the issue of unresolved issues being sent to the OLRB, we have serious concerns with regard to the independence and impartiality of OLRB members as they are permanent appointees and thus depend on the government for their economic livelihoods. It would be in their best interest to ensure those that appoint them are happy with the decisions, not necessarily the workers on the other side of the table. This is to be compared with the current process, under which interest arbitrators are either agreed to by the employer and associations, or they are appointed from a list of arbitrators that have already been mutually agreed to.

Society has made the determination that firefighters and other essential service workers should not have the right to strike, but if the right to strike is to be taken away, it is only fair and just that a system of independent, impartial and binding arbitration be put in its place. That requires that decisions imposing collective agreements not be made by government appointees. This has been recognized by the Supreme Court of Canada itself.

In the late 1990s, the Harris government wanted to replace independent, mutually agreed to and expert interest arbitrators with government appointees—and at the time it was the case of retired judges. The court held that this was illegal. The court ruled that without an independent, impartial, experienced, expert and mutually acceptable arbitrator—one who is not, or "perceived to

be, a surrogate of either party or of government, or appointed to serve the interests of either party or of government, the system loses the trust and confidence of the parties, elements essential to industrial relations peace and stability.... A lack of confidence in arbitration would invite labour unrest and the disruption of services, the very problem impartial interest arbitration was designed to prevent." If the government is intent on introducing a mechanism to ensure timelines are met, methods other than referral to the OLRB must be investigated.

So I wrap up my comments on the issue of interest arbitration by reaffirming that the system is not broken; it is doing what it is designed to do: replicating collective bargaining between the parties. The system can sometimes be lengthy and cumbersome, but sometimes there's a price to pay for that process—for a well-thought-out, fair and balanced dispute resolution system that respects both sides while remaining independent.

The second issue we raise today related to firefighters is occupational disease and presumptive legislation. Presumptive legislation is defined as legislation that links a specific occupation, such as firefighting, with a disease or condition that has been shown to be a hazard associated with that occupation. An example would be that colon cancer being included in presumptive legislation for firefighters would mean that if a firefighter contracts a disease such as colon cancer, it is presumed that the illness is the result of an occupational exposure to chemicals and toxins. There are qualifying conditions and criteria that need to be met, though, usually relating to years of service.

Even with the best respiratory practices and protective equipment, exposures will continue to occur due to absorption through the skin once a firefighter becomes soaked during fire suppression activities. The concentration of chemicals in today's materials is much higher than in the past, due to increased use of composite materials.

Epidemiological, medical and scientific studies conclusively demonstrate an increased rate of diseases such as cancers in the firefighting population versus the general population. The medical evidence shows that firefighters have anywhere from two to four times the risk of cancers compared to the general population. If you factor in the "healthy worker" effect, which means that firefighters are a generally healthier study group compared to the public, the rates are even higher.

The majority of provinces and territorial jurisdictions across Canada have recognized that firefighters are at an increased risk for certain cancers and heart injuries. The chart that I have included in the back here shows how Ontario compares to other jurisdictions across Canada. With the exception of Nova Scotia, Ontario lags behind all other provinces with respect to occupational diseases presumed to be the result of firefighting.

In 2007, with all-party support, Bill 221 passed through the Legislature, and amendments were made to the WSIB to include eight cancers and heart injury as presumptive occupational diseases for firefighters. We

certainly thank the government for introducing Bill 221 and we thank all MPPs for supporting that important piece of legislation. It was a very good start but fell short of recognizing all those occupational diseases that should have been recognized. We are now moving towards—and have received support from all three parties again—working to include the six more cancers necessary to cover those who have incurred an occupational disease as a result of their profession.

The six cancers that we have identified that need to be included within the regulations with respect to the legislation are lung cancer, multiple myeloma, breast cancer, testicular cancer, skin cancer and prostate cancer. I have attached a summary of each of the six cancers and their impact on firefighters.

We are here today to ask the committee to recommend in its report that the upcoming provincial budget include the provision of occupational diseases coverage for firefighters for these six new cancers. Further, we ask the committee to consider recommending that the government provide funds to assist WSIB with the financial impact on their unfunded liability as a result of coverage for the occupational disease relating to these six cancers.

I thank you all for your time and attention, and would be pleased to accept any questions that you may have.

The Chair (Mr. Kevin Daniel Flynn): Thank you. Unfortunately, we are out of time; you cut it really close there. But thank you for coming. We've heard this presentation now three times and I think it's starting to sink in. You're starting to have the effect that you guys wanted to have. I think we've all understood it, and I want to thank you for being here today.

Mr. Chris Francescone: Thank you again, everyone.

OTTAWA MUSEUM NETWORK

The Chair (Mr. Kevin Daniel Flynn): Our next delegation today is from the Ottawa Museum Network—Laura Gibbs, executive director. If you'd like to come forward, Laura. Like everybody else, make yourself comfortable. Welcome to the committee. Like everybody else, you get 15 minutes. You can use that any way you like. If there is time left over for any questions at the end, it will go to the PCs.

Ms. Laura Gibbs: Okay, perfect. Good afternoon.

Mrs. Jane McKenna: Good afternoon.

Ms. Laura Gibbs: I'm Laura Gibbs. I'm the executive director of the Ottawa Museum Network. I know you met my colleague this morning from the Diefenbunker. She spoke specifically about a local community museum, and I'm going to bring some information to you today about the Ottawa Museum Network and how we work with the other museums in Ontario as well.

The Ottawa Museum Network is a group of 10 community museums in Ottawa. The Ottawa Museum Network specifically provides advertising and promotion for those museums, and we also work to do cost sharing and to realize efficiencies for the museums. We employ over

140 people in the network and we have almost 400 volunteers. We reach 180,000 visitors in Ottawa alone, and those visitors are primarily children and their families, new Canadians and seniors.

I wanted to tell you a little bit about the museums in Ontario. There are over 600 museums in Ontario. Those include art galleries, historic sites and museums, and they bring in 10 million tourists and visitors every year, so quite a substantial tourist group. We contribute \$562 million to the provincial economy every year, and together we employ 8,000 Ontarians, with 16,000 volunteers.

In a recent survey by the Ontario Museum Association, we found that over 90% of Canadians believe arts and culture are important and they feel like they're an essential part of a child's education. To that point, we have over one million school visits to the museums every year.

I'll just actually explain: In your packages I've included a presentation from the Ontario Museum Association, and while I'm not here on their behalf today, we work in close partnership with them, and as the Ontario government, I thought that it would be a relevant thing to include for you. So those are facts and figures from the Ontario Museum Association.

I wanted to talk a bit about the investment from the provincial government in museums and the impact that it's had in the sector. The Cultural Strategic Investment Fund has been a really successful program for us. The Ottawa Museum Network itself has had two grants through that program. One grant allowed us to partner with community health and resource centres to bring new Canadians to the museums, and for many of them it was their first visit to a museum ever. It was a very successful program. We've also been able to develop a membership card for all 10 of the museums, which makes it more affordable for people to visit the museums and it brings us in line with Nova Scotia and Montreal—

Interruption.

Ms. Laura Gibbs: Is that me?

Mr. Peter Shurman: Somebody who likes museums.

Ms. Laura Gibbs: Yes. Do you want me to continue?

The Chair (Mr. Kevin Daniel Flynn): If you can speak with that going, go ahead. If you want to wait, that's fine.

Ms. Laura Gibbs: Yes, is that okay? It's distracting.

The Chair (Mr. Kevin Daniel Flynn): Do you want to wait for five minutes?

Ms. Laura Gibbs: Sure, let's wait and just see what—

Interjection: If you need a motion, I move a five-minute recess until the alarm—

Interjections.

The Chair (Mr. Kevin Daniel Flynn): Okay. We'll recess for five minutes.

The committee recessed from 1321 to 1328.

The Chair (Mr. Kevin Daniel Flynn): Okay, let's call back to order. If members would take their seats.

We're joined by the Minister of Labour now, the MPP for Ottawa Centre, Yasir Naqvi. Welcome, Yasir.

Right now we're hearing from Laura Gibbs, who's the executive director of the Ottawa Museum Network, and I was just telling Laura she's got about 10 minutes left in the presentation. It's all yours again.

Ms. Laura Gibbs: Okay. I was just explaining how great the investment has been in the past couple of years from the province of Ontario, and what kind of impact it's had on the museums.

I spoke a bit about the Cultural Strategic Investment Fund, and we've also had really great success with the Museums and Technology Fund. A lot of our museums have been able to upgrade their websites or create new websites and keep up to date with technology. Even audio tours and apps and that kind of thing—we've been able to do those with that funding, which has been amazing.

We also receive the Community Museum Operating Grant. There's an envelope of \$5.3 million available for that fund, and 185 museums receive funding from that fund. It's really key funding—and it's operating funds, so they can use it for staff, they can use it for security, they can use it—it's quite discretionary. So that's really great for the museums.

These grants have really helped us put professional standards in place, and they've helped us professionalize the sector as a whole, across the province.

Our value: Just speaking from the Ottawa Museum Network, the city reported that for every dollar we receive, we actually create more than \$6 in leveraged funding from admissions or from other sources, which means we're really efficient and very lean organizations that are able to leverage that funding. We're also key partners with local businesses, universities and colleges. We work with BIAs, with community organizations, with schools, so we're really connected in the communities and we act as community hubs.

1330

We're really keen to work in partnership with the Ontario government to advance provincial priorities at a local level. I know you heard from Christine this morning that the project funding for the sector was cut from \$11 million to \$3 million, and we'll feel the impact of that next year. But that was project funding, so it really helped us advance priorities and develop new technologies and new business. Unfortunately, the competition for that \$3 million is going to be fairly fierce next year with more groups applying for less funding. I mentioned all those really great things we were able to develop. Moving into 2014, we won't be able to create as many jobs and we won't be able to create as much economic impact with less funding available.

We'd like to ask this committee to consider reinvesting the \$8 million back into the museum sector for the province. While we're not necessarily recommending that it goes back into the same project grants, we just recommend that it goes back into the museum sector for the sector to apply for it and to use it to advance museums across the province.

We are also really keen to work in partnership with the Ontario government, so we're keen to work with you on your tourism strategy and also to advise on how project grants would best serve the sector. I speak for the Ottawa Museum Network, but I know it's also an Ontario Museum Association sort of ask from this group, that we're keen to work in partnership with you.

That's it for me. Thank you so much for your time. I strongly encourage you to visit one of the museums while you're here in Ottawa. We've got a couple just around the corner, so hopefully we'll see you at one of the museums soon. Thank you very much.

The Chair (Mr. Kevin Daniel Flynn): Thanks, Laura. We appreciate it. We've got between five and six minutes left. Peter or Monte?

Mr. Peter Shurman: I just want to thank you very much for your presentation. We had a good presentation this morning on this. We understand the importance of this funding to you and we've made note of it, but there are no questions.

Ms. Laura Gibbs: Great. Thank you.

The Chair (Mr. Kevin Daniel Flynn): And you're good with that, Monte? Everything's good?

Mr. Monte McNaughton: Yes.

The Chair (Mr. Kevin Daniel Flynn): Perfect. Thank you very much for coming.

Ms. Laura Gibbs: Thank you very much.

OTTAWA REAL ESTATE BOARD

The Chair (Mr. Kevin Daniel Flynn): Our next delegation this afternoon is from the Ottawa Real Estate Board. Duane Leon is the director of the board. Duane, if you'd like to come forward. Make yourself comfortable; get settled in there.

You've got 15 minutes to make your presentation. You can use that any way you like. If there's any time for questions this time around, they will come from the NDP.

Mr. Duane Leon: Good afternoon, ladies and gentlemen. My name is Duane Leon. I am an Ottawa-area realtor, chair of the 2013 government relations committee and director of the Ottawa Real Estate Board. I'd like to welcome you all to Ottawa and thank you for the opportunity to present today. Joining me are Tim Lee, president of the Ottawa Real Estate Board, and Valerie Powell, communications officer at the Ottawa Real Estate Board.

Ottawa realtors have three recommendations for the 2013 Ontario budget. I would like to begin with an issue many of you are familiar with.

Ottawa realtors are asking the province to amend the Electronic Commerce Act to remove the existing exemption for real estate agreements of purchase and sale. By removing the exemption from the act, electronic agreements of purchase and sale will benefit from the same legal protections afforded to other means of transmission. These protections will give both realtors and consumers the certainty that the electronic agreements they execute have the full force of the law.

What benefit would this amendment have for consumers? In short, consumers and realtors will be able to benefit from the use of modern technology, resulting in more efficient transactions.

To illustrate this point, I'd like to walk you through what an existing transaction looks like. At present, in order to complete a remote transaction, realtors must send an agreement as an email or fax. The consumer must print the document, sign it, scan it, then email or fax it back. If there are amendments to the agreement, this whole process must be repeated. The technology that supports electronic agreements of purchase and sale removes these steps.

Instead, it provides one central platform where buyers, sellers and realtors can initial, sign and amend an agreement online—no emailing, no scanning, no faxing and no travelling required. Transactions that used to take days or weeks to complete can now take minutes or hours. The same technology is widely used in the banking and insurance sectors, as well as the US real estate industry. In short, it has been tried and tested in other markets. In addition, both BC and Alberta permit the use of electronic agreements of purchase and sale.

Thanks to the efforts of our members and hardworking MPPs, this proposal has broad support amongst all three political parties at Queen's Park. Specifically, realtors would like to commend MPP Todd Smith and Ottawa-area MPP Yasir Naqvi for bringing forward a private members' bill on this issue. They have helped to raise awareness of a needless bit of red tape that has plagued our industry and the consumers we serve.

The Electronic Commerce Act was written when beepers, dial-up internet and fax machine were the latest and greatest tools for business owners. Today, smart phones, tablets and cloud computing have helped to make commerce much more consumer-friendly. We are asking the province to help realtors make our industry more consumer-friendly by modernizing the regulation of real estate e-commerce.

Next, we would like to discuss the issue of the municipal land transfer taxes. As you know, under the City of Toronto Act, Toronto is the only Ontario municipality with the power to levy a municipal land transfer tax. Unfortunately, for those who own a home or one day dream of owning, municipal politicians, led by the Large Urban Mayors' Caucus of Ontario, are investigating additional revenue-gathering powers, specifically the land transfer tax.

While it is attractive as a source of revenue for cash-strapped municipalities, the spread of the municipal land transfer tax will punish Ontario homebuyers and owners. The tax adds significantly to the closing costs for homebuyers, and therefore a small segment of taxpayers, to fund municipal services designated to benefit all citizens. For instance, in Toronto, average homebuyers pay close to \$12,000 in land transfer taxes, about half of which goes to the city. It's no wonder that people feel punished for just living in the city and might start looking to move outside of Toronto boundaries to avoid paying the unfair

tax. For example, a recent Ipsos Reid poll found that 75% of people in Toronto and the 905 region who are expecting to move are more likely to relocate outside of Toronto specifically because of the land transfer tax. It is not surprising then that nearly 70% of Torontonians support repealing the tax.

Mr. Chair, we know from a 2012 C.D. Howe study that the city land transfer tax reduced single-family home sales in Toronto by 16%. The study also found a similar reduction in household mobility. As a result, C.D. Howe concluded that reducing mobility might increase unemployment in places with MLTTs, starve firms elsewhere of employees, deter workers from switching to more productive jobs, and result in homeowners keeping homes they no longer desire. Simply put, the tax may force homeowners to tolerate living in ill-suited homes for longer than they would have otherwise. People who would prefer to move into a bigger house or closer to work often choose to stay to avoid the MLTT.

We also believe that homeowners deserve to be safe in their own homes. With that in mind, I would like to move to our final recommendation, that of a marijuana grow-op registry. You might have heard that unfortunately sometimes homebuyers fall victims to purchasing a home previously used as a marijuana grow operation—MGO—or clandestine laboratory. Often these homes receive cosmetic renovations to disguise their former use. As you can imagine, minor cover-ups won't eliminate considerable health threats due to mould and chemical contamination often present in such houses.

As realtors, we are obliged by law to disclose to potential homebuyers if a home has been used as a marijuana grow operation or a drug lab. However, our members' efforts to warn our clients are often hindered by owners who hide the fact that the home was an MGO.

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Realtors and homebuyers need a central, reliable and accessible registry of information about homes that were former marijuana grow operations. This registry should be non-public to protect property values, maintained by a reliable body and provide information that will give homebuyers piece of mind. Such a registry could be achieved by amending the Ontario Municipal Act to require municipal building officials to register remedial work orders on the title of former grow operations, creating a registry through the land titles system. The registry would come at no cost to the government and would allow realtors to inform their clients before they purchase a marijuana grow operation or drug lab.

We are happy to see that Ontario MPPs are becoming more open to the idea. For example, just this past week, the MPP from Ottawa—Nepean, Lisa MacLeod, introduced a private member's bill calling for the registry. Ottawa realtors applaud the introduction of this legislation.

Mr. Chair, the problem of marijuana grow operations is not going away, and research has demonstrated that Ontarians want to be fully informed about purchasing a home. In October 2012, the Ontario Real Estate Association commissioned a study by Ipsos Reid, which found

that 93% of Ontario residents want to know if a home they are planning to purchase was formerly used as an MGO or clandestine drug lab. The same research showed that 88% of Ontarians support the creation of a province-wide registry. Most alarmingly, though, one quarter of Ontarians reported seeing or knowing of homes in their neighbourhoods that have been used as a marijuana grow operation.

In conclusion, Ottawa realtors are recommending three courses of action in the 2013 Ontario budget:

First, that the province amend the Electronic Commerce Act to remove the exclusion for agreements of purchase and sale. This amendment would reduce red tape in the real estate industry, make transactions more efficient through the use of modern technology, and would be at no cost to the province.

Second, we urge the province to stop the spread of the municipal land transfer tax. This tax is bad public policy that hurts Ontario homebuyers and owners.

Finally, we encourage the province to create a former marijuana grow operation registry that protects homebuyers from the health and safety issues associated with former grow ops and clandestine drug labs.

Thank you. We are happy to take your questions.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Duane. We heard, from your colleagues in Windsor, a very similar presentation, and I think the questioning was done then by Michael. It's over to you again.

Mr. Michael Prue: It's over to me again, but I have the same—perhaps I've thought about it a little longer. Most of the evidence in Toronto is that there has been absolutely no effect on home sales. In fact, more people are living in Toronto and the growth rate is higher in Toronto than it is in the 905. I'm wondering: Other than the C.D. Howe Institute, do you have any evidence from the industry itself? Because houses are selling so rapidly. In the newspaper, two or three days, turnaround is average.

Mr. Duane Leon: There certainly is. We are certainly seeing in the Toronto area that homes still are moving fast, but the biggest sector that you're seeing that greatest movement in are the people who have been in existing homes and who would be reselling to make a move up, or maybe a move down. What you're going to see, what you'll find, is that the municipal land transfer tax will have the greatest impact on first-time homebuyers.

Mr. Michael Prue: But the homes appear to be selling. I don't know whether first-time homebuyers are buying condos instead, but there are more cranes on the Toronto skyline building condos and apartments than any other place in North America, and certainly all this has land transfer tax attached to it too.

Mr. Duane Leon: For certain. The only information that we have right now is just based on the C.D. Howe study.

Mr. Michael Prue: I sincerely doubt that that's correct. But you don't have any other?

Mr. Duane Leon: No, we're just going off of that information that was provided to us.

Mr. Michael Prue: Okay, I'll turn it to my colleague.

Ms. Cindy Forster: Just to follow up on Michael's question, in the city of Toronto, certainly, houses gain value at a much higher rate than they do across Ontario generally. I was actually just reading something this week that's predicting that housing values are going to increase somewhere around, but just below, 2% per year, except in Toronto or Vancouver—some of those major centres. By allowing municipalities to add a municipal land transfer tax, what would that impact be with respect to people realizing any new value in their homes when they exceed it, if they were required to pay this additional tax?

Mr. Duane Leon: For the person selling, it would not have as big an impact as somebody who would be buying. Right now, if we use the base sale of a home in Toronto being about \$500,000, they're looking at \$12,000 in land transfer tax in total on their closing cost. That is going to definitely have an effect on people looking to make a purchase.

Ms. Cindy Forster: Or to make any profit when they actually sell their home.

Mr. Duane Leon: Yes. Correct. I hate to use that article that people are referring to because the economists have not been able to predict the housing industry from one year to the next; how they are going to project the next 10 is beyond me. When I look at that, if we take that into consideration, and you take the land transfer tax and the costs associated with selling a home, if we are only going to anticipate a 2% increase in value year over year, there will be no increase in value by the time the homeowner does go to sell the property.

The Chair (Mr. Kevin Daniel Flynn): Michael, there's about a minute left.

Mr. Michael Prue: Rob Ford, the mayor of Toronto, ran on a platform of getting rid of the land transfer tax, yet now that he's in office he's finding that if he were to do that, he would have to increase general taxation to the whole taxpaying public by about 8% to match the same amount of money. Although he had a similar thought to the one that you're expressing here today, it has become impossible. Is that what you're afraid of, that once municipalities like Mississauga—because I know Hazel desperately wants this, and other municipalities—get it and don't have to raise general taxes, they will think that this is the best thing ever?

Mr. Duane Leon: Yes, that is our concern. We do not want to see other municipalities get this taxing power, because not only will it have a detriment on the home-buying industry—definitely one of the bellwether industries for the province of Ontario is housing. But if we start having certain municipalities that will have land transfer tax abilities, you're going to see people pushed further and further out of the city. All that's going to do is create a bigger demand on the smaller communities because people will be looking to move there, and then it will increase the demands on transportation and infrastructure.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Michael, and thank you, Duane, for being here today.

Mr. Duane Leon: Thank you.

ECOLOGY OTTAWA

The Chair (Mr. Kevin Daniel Flynn): Our next delegation this afternoon is from Ecology Ottawa. Graham Saul is the executive director. Graham, if you'd come forward; make yourself comfortable. Like everybody else, you get 15 minutes. Use that any way you see fit. If there's any time at the end, like you just witnessed, there'll be a little bit of a question-and-answer period. The questioning this time will go to the Liberal Party. It's all yours.

Mr. Graham Saul: Great. Thank you very much, and thanks to everybody on the committee for taking the time.

My name is Graham Saul. I'm the executive director of Ecology Ottawa. Ecology Ottawa is a grassroots environmental organization in the city of Ottawa that's focused on making Ottawa the green capital of Canada. We believe that there are hundreds of thousands of people across this city who share our basic objectives and values in terms of promoting clean air, clean water, clean energy, world-class park space, and compact town centres bustling with pedestrian and cycling infrastructure and connected by world-class public transportation.

We put a high emphasis on going out and finding those people and engaging them in a conversation about how we can work together to build the kinds of sustainable communities that we all want to live in. Last year, we knocked on about 40,000 doors to that effect, and we're hoping to knock on about 150,000 this year. We have about 20,000 supporters across the city, and our email blasts currently go out to about 8,000 people who support our work.

I am here to talk about three issues. It's primarily the first one that I wanted to highlight. The second and third are other issues that are important to Ecology Ottawa that I was feeling the need to mention.

Over the past 10 months, Ecology Ottawa has collected about 8,000 signatures on a petition calling on the federal and provincial governments to support the implementation of the Ottawa River Action Plan. In the two-pager that I've circulated, you can see the text of the petition.

1350

I myself have been spending a fair amount of time at the door, and when I get to the door and I say, "Hi, my name is Graham Saul. I'm here with Ecology Ottawa, and we're running a petition to stop the dumping of untreated sewage directly into the Ottawa River," I tend to get a pretty friendly reception from people at the door. When I go on to say, "Every year, over 400 million litres of untreated sewage gets dumped directly into the Ottawa River. The city of Ottawa has come up with a plan to stop that; it's called the Ottawa River Action Plan, and they've agreed to put up their fair share of the money. We're running a petition calling on the federal and provincial governments to come forward and put up their fair share of the money so we can stop dumping sewage into

our river. Would you care to support us?”, the answer is almost invariably yes.

I have bumped into a few people who didn't like the idea of stopping dumping untreated sewage directly into the Ottawa River, but the overwhelming majority of people have been very supportive of this petition when we've taken the time to ask them.

We've also taken the time to speak to leading representatives at the provincial and federal level here in Ottawa, including Minister Baird. There's a letter from Minister Baird that, I think, is being photocopied for you, and Minister Chiarelli. There's another letter from Minister Chiarelli on this matter to us, and our sense is that both are relatively supportive. In the letter from Minister Baird, he states that in the next infrastructure round of funding at a federal level, he will make this his number one priority in terms of engaging the city of Ottawa on infrastructure priorities. The letter from Minister Chiarelli—and the meeting with Minister Chiarelli—was very encouraging, but somewhat more equivocal in the sense that it states, “We will give this sincere consideration, but first the federal government must put up the money.”

Neither of those two levels of government have yet appropriated the money and agreed to move forward, and I'm here today to say that this is something the people of Ottawa want. The creation of the combined sewer-overflow tunnels has widespread support. It's a priority of the mayor. It's a stated priority of leading members of Parliament, and hopefully members of provincial Parliament. I would rather see the provincial government make an unequivocal statement that they intend to support this infrastructure project, rather than say, “We will consider it if the federal government comes forward and does so as well.” While this may or may not be a subject that you will be considering in the upcoming budget, I hope that you will, and I hope that you will show leadership on this issue and actively challenge the federal government to come forward with their share of the money rather than wait for the federal government to step forward first.

The second and third issues are ones that I have spent less time looking at from a budgetary perspective, and if you're interested in better understanding my sense of where the funding is at for the combined sewer-overflow tunnel at a federal level, I'm happy to talk to that if there's time, but two final quick things: First of all, in the speech from the throne, the government stated that, “Ontario will continue to be a leader in smart-grid technology and energy conservation, and see the creation of new-economy jobs through the deployment of leading energy efficiency technologies in our homes and in our businesses.

“It will also continue its work to end coal-fired energy generation, the single-largest climate change initiative currently under way in North America.”

Ecology Ottawa strongly supports this statement. There is no better way to replace dirty fuels than not needing energy. Reducing energy through energy conservation is a huge priority; we strongly support that, and

we hope it will be reflected in the budget. We also strongly support the phasing out of the coal-fired power plants and want to congratulate this government for moving forward on that commitment. We hope to see that happen soon.

We would also like to see the government continue with ongoing support—and, in fact, expand support—for the Feed-in Tariff Program, which we consider to be one of the best programs in North America when it comes to promoting the rapid expansion of renewable energy, and we have said so on numerous occasions. We hope that, rather than going forward with the refurbishment of nuclear power, the province will allow the feed-in tariff to do the work that we know it can do and rise to meet the challenges in terms of not requiring us to build more nuclear power, and instead expand our renewable energy production.

Finally, in terms of transit, the speech from the throne also said some positive things in terms of the emphasis on public transit, and we very much support that. We know this government has made investments in helping the city move forward with a major public transit infrastructure investment, and we very much appreciate that and acknowledge that.

In general, Ecology Ottawa's analysis is that you cannot solve the problem of traffic and congestion by building more roads and by widening existing roads. If building more roads solved the problem of congestion, we would have solved the problem 30 years ago. The only way we're ever going to meet the growing demand for people to get around is if we continue down the course of heavy and strong investments in accessible, affordable public transit—and if we begin to look at every street as a complete street where we analyze pedestrian and cycling infrastructure and investments in those infrastructure alongside the car. I would argue that no matter how many roads you build and no matter how wide you make them, you will just induce demand for more cars. If what we really want to do is get people around as fast as possible, we should be spending that money instead on public transit and pedestrian and cycling infrastructure. We very much support what we hope is an emphasis on public transit in the upcoming budget.

That's all. Thank you very much for your time; we really appreciate it.

The Chair (Mr. Kevin Daniel Flynn): Great. You have left quite a bit of time, Graham, about seven minutes for questions. We're going to Dipika, Soo—and did you have anything, Yasir? Let's start with Dipika.

Ms. Dipika Damerla: Thank you so much. It was a very interesting presentation. I just was curious because you did refer to it; can you give me some sense of what the numbers are going to look like? You said the municipality of Ottawa is willing to put up its fair share. I just wanted to know how that broke down and what the dollar value was for the sewage project.

Mr. Graham Saul: The original estimate for the combined sewer overflow tunnels—and just to back up a little, basically the problem is that in the downtown core

we don't have separate sewage and stormwater pipes. When you build a new development, you have one set of pipes for stormwater and one set of pipes for sewage. In some areas, it has been affordable to rip up the pipes and separate them. In the downtown core, it was built at a time when it was perfectly acceptable for people to dump their sewage directly into the Ottawa River. The amount of pipes underground that would have to be torn up is prohibitive from a financial perspective; it would take billions of dollars to tear them all up and separate the pipes.

When the system is functioning normally, all the sewage goes to the water treatment plant and all the stormwater goes into the river—which is a problem in and of itself but perhaps not as big a problem as the sewage. But when it rains, when there's even a very small amount of rain, what happens is, the water treatment plant's capacity to keep up with the stormwater and the sewage mixing—it doesn't have the capacity to keep up, so instead the system starts kicking the mixture of stormwater and sewage directly into the Ottawa River.

What the city is proposing to do is design what are called combined sewer overflow tunnels. These are basically large storage tanks underneath an area of the city so that when it does rain, instead of this stormwater and sewage getting kicked into the river, the stormwater will get kicked into these tunnels, and when it stops raining, the sewage system can then catch up and treat this. So it will not only help avoid sewage going into the river, but it will help avoid stormwater going in, which of course is also a cocktail of contaminants, because it picks up all of the heavy metals and oils and toxins that are lying around on pavement and sweeps it into the river.

The original estimate for the combined sewer overflow tunnels was \$150 million, and the city appropriated its \$50 million, or put it aside. The most recent estimates are \$170 million, as a result of an update that was put before the city just several months ago, a link to which is in the two-pager that I provided you today. The city reiterated its intention to move forward with the project and put up its fair share.

Ms. Dipika Damerla: Thank you. I think my colleagues have questions.

Ms. Soo Wong: Just to ask a quick question, on page 2 of your presentation to us you talked about clean energy and conservation. Can you share with us what would be a number—because I don't see any numbers here in terms of energy conservation—to address the issue of clean energy and conservation?

Mr. Graham Saul: That's a fascinating question, and I confess my knowledge of the details in relation to specific numbers for the second and third items is much less than the first, and I say as much in the third item.

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The question of what a reasonable number for energy conservation would be is a bit of a sliding scale. As long as you can demonstrate the negawatt, as long as you can demonstrate that you can actually spend less by saving energy than by investing in new energy infrastructure,

then you might as well spend as much as possible, and that's something that hasn't necessarily been mainstreamed in terms of our energy planning. I know that there have been experiments in terms of the wholesale retrofits of entire communities on aboriginal reservations and in many places in low-income communities; a huge amount of money can be spent in those areas. What it does is prevent you from having to spend an even greater amount of money on new nuclear power or other forms of energy.

While I don't have a specific number in terms of conservation, I think the more ambitious you can be, the better. As long as you can demonstrate that it costs less to save money than it does to produce more energy—which I think you can—then you might as well be making those investments rather than paying for new plants and power of any kind, including renewable. I'd much rather see you not need an extra 50 megawatts than 25 or 50 new megawatts of solar or wind.

In relation to renewable energy I think the real challenge is this: Are you going to spend a huge amount of money on nuclear power or are you going to, instead, spend money on conservation and allow the feed-in tariff to grow the renewable energy industry to the point where you don't need the nuclear power? I think right now, if you continue forward with the refurbishment and the new build at the nuclear level, what you'll be doing is basically sabotaging the growth of the renewable energy industry because you won't need the energy. The feed-in tariff has already demonstrated a capacity to generate the necessary amount of renewable energy.

In that, once again it's a matter of saving the money on nuclear power that you probably can't afford, and you don't build 10,000 years of storage management into the financial equation—so taking a life cycle analysis of that—and instead continuing with what's probably the best policy in North America when it comes to promoting the rapid expansion of renewable energy, and that just means making the resources available to allow the FIT to expand beyond the current glass ceiling that has been established by the energy forecasts.

Ms. Soo Wong: Okay. Thanks.

The Chair (Mr. Kevin Daniel Flynn): Okay, Soo. Final question: Yasir.

Hon. Yasir Naqvi: Thank you very much, Chair. I want to thank Graham for being here on behalf of Ecology Ottawa. Their very strong advocacy on the Ottawa River Action Plan—Graham is absolutely correct. This is a very important issue for the city of Ottawa. The city has already executed phase 1 of the Ottawa River Action Plan, which was funded in equal parts by all three levels of government. The total cost was about \$100 million. This is now talking about the second-phase cost, ranging anywhere from \$150 million to \$170 million, where all three levels of government need to come together and work together, as they did in the past with phase 1, and get this done.

Graham, thank you for your advocacy on this. Obviously, we need to continue to do our part on our end at

the provincial level to make sure that funding is available and reflected as soon as possible so that we can convince the federal government to come on board as well and get this plan in place so that we can stop dumping raw sewage in the Ottawa River.

Mr. Graham Saul: Thank you very much as well for your leadership on this issue. I am conscious of the fact that the government of Ontario spends, I think, 10 times more on infrastructure inside the province of Ontario than the federal government does. I hope that the federal government will be moving forward with its next round of infrastructure funding, because I'm confident that if they do, the provincial government will come forward and make sure this happens. I would just like to see the provincial government make a clear and unequivocal statement that they intend to finance it, rather than the more cautious one saying that they'll consider it in the future.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Graham, for being here today.

INVEST OTTAWA

The Chair (Mr. Kevin Daniel Flynn): Moving on, our next delegation is from Invest Ottawa. Margot Sunter? You're not Margot.

Mr. Bruce Lazenby: I'm the worst-looking Margot you've ever seen.

The Chair (Mr. Kevin Daniel Flynn): You can't fool me.

Mr. Bruce Lazenby: We can never fool parliamentarians here.

The Chair (Mr. Kevin Daniel Flynn): Well, if you would like to introduce yourself, sir, you've got 15 minutes, and you use that any way you see fit. If, at the end, there's any time for questions, we'll do that. The questions this time will come from the Conservative Party. It's all yours.

Mr. Bruce Lazenby: Great. Thank you very much. I am not Margot Sunter; I am Bruce Lazenby. I'm the president and CEO of Invest Ottawa.

Welcome, first of all, to Ottawa. As you know, Ottawa is the second-largest economy in Ontario outside of the GTA, so what happens in Ottawa matters to the province, and I think the fact that you're here is a good testament to your observations on that.

If you would indulge me, there are—from my Economics 101 classes—three ways to create wealth in the community, and I think we all understand why that's valuable. There are only three ways, interestingly. The first way is from people who live here selling to people who live here—auto dealerships, restaurants, for the most part. The chamber of commerce does a really good job of taking care of that group. In fact, the chairman of the chamber of commerce is on our board.

That's a hard group to grow. If you put in a new car dealership, you're not going to sell more cars; you're just going to take somebody else's car that would have been

sold at another dealership. So it's hard to really grow jobs in that environment.

The second is from the people who live here who sell to people who come here, so that's tourism. Again, we're all competing for pretty much the same tourists. We're not creating any more tourists in the world, so we're trying to get more than our fair share of those. In Ottawa, that's the Ottawa tourism commission. Noel Buckley is their executive director, and he also sits on our board.

The third way is from people who live here who sell to people who don't live here, and that's export. That is one place that we can grow dramatically in this province. Interestingly, in the case of Ottawa, we don't export a lot more than we do. If you talk to my counterparts in Kitchener-Waterloo, they'll talk about meat processing, call centres and technology. If we talk about Windsor, they'll talk about auto parts. In the north, they're going to talk about the Ring of Fire, minerals, resources, oil, gas, even timber in other areas. Not in Ottawa—no oil, no gas, no auto parts, no wind-processing plants, none of that.

There's very little manufacturing. But there is a good base of technology companies, and that is where we spend the predominance of our effort. We do that in three areas. We help create the spirit of entrepreneurship here in Ottawa. We take that spirit of entrepreneurship and turn it into young companies that can grow dramatically—one job this year, 10 jobs next year, 100 jobs a year after that. We also work hard to promote Ottawa as a location for foreign companies to come and locate. Ericsson, Avaya, Huawei and other companies that have come here have come here as a result of very aggressive efforts on my predecessor's part to bring them here.

What's the current status of that community in Ottawa? It's not bad; it can be better. I'm going to tell you some of the big things that are happening here that impact that whole area.

First of all, as you know, we are just recovering from the Nortel impact, and that had a very significant impact on the area, not only in terms of jobs but in terms of morale. There was some question about whether Ottawa could struggle back from that, and I'm pleased to tell you that the city has. A lot of the Nortel spinoffs are now hiring. When I talk to Ericsson and Avaya and Cisco and all those companies, they're all looking at hiring more people, but they're doing it slowly, one bit at a time.

Meanwhile, the federal government, of course, as you well know, has announced major layoffs. Thousands, we've already had; thousands more to come. We don't know how many. They haven't disclosed it and they're not likely to. But we do see the impact on our economy, and we do know that an impact is out there.

One of the things that's happening coincidentally that is not being well reported is the lack of federal spending locally. In the last quarter, the federal government spent \$200 million less locally than they had previously. That part of the downsizing, although it doesn't show up in terms of layoffs, actually shows up in terms of loss of impact on the economy.

Unlike 2008—the last time the feds went through a layoff—we're not having a booming technology sector. So that puts us in a pretty difficult position: major layoffs from the feds; not as much capacity to absorb within the technology sector.

Similarly, we expect other government departments not to be doing hiring. We don't expect the Ontario government, unless you've got some plans we're not aware of, to start a massive hiring campaign. In fact, it's likely going to at least maintain status quo, or some layoffs. The city is also under pressure from its taxpayers to reduce the size of its 15,000-person payroll every day. So we're seeing more and more of that kind of pressure.

Meanwhile, we have a unique situation here in Ottawa, and that is that we have a competitor to the north that not every other city has. In fact, in Ontario, not any city is faced with what we have here, and that's Gatineau. Across the river they have dramatically less expensive electricity for companies that do want to establish manufacturing and whatnot, where the cost of electricity is an important input to their product costs. That has a huge impact on us, and Gatineau has incentive programs that pale in comparison to some of the incentive programs that are available in Ontario.

This local copy of the *Ottawa Business Journal*, if you can't read the headline, says, "Why the Ottawa Entrepreneur Crossed the River." The answer, in a fairly extensive article, explains some of the reasons why it is. The reality is, we lose about a company a week to Quebec. If a company moves from Ottawa to Kingston, from your point of view, net-net, it's still an Ontario job. When they move out of Ottawa to Gatineau, they move out of the city and all the tax revenues and employment opportunities go with it. That has been a problem that we've been facing as well.

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So it's not entirely surprising, although not very encouraging, when the Conference Board of Canada says that out of the 20 major cities in Canada that they reviewed, Ottawa is going to have the weakest growth for the next three to four years. That's not a position we're proud of and it's not a position we're prepared to accept, but it's one that we currently find ourselves in.

So, what to do? Well, the first thing I'm happy to report is that we do have some very significant leadership at city hall. I think those of you who have been in government for a while will know that I think now what we're seeing is things starting to happen here. The LRT is finally getting moving. The big Lansdowne project is finally getting moving. The creation of Invest Ottawa largely came out of the campaign platform of the current mayor, and that puts us in a pretty interesting position.

In fact, Invest Ottawa is unique in North America. We are the only city that has all of the economic development levers available to city government and to the province under one roof. So if you were to go to some other cities in Ontario and look for organizations that did what we did, you might find up to four or five different organizations. Having worked with them, the reality is they're

different CEOs, different buildings, different mandates, often competing for the same funds, and so the level of collaboration is a little bit more difficult to achieve.

I'm pretty happy to say that we're all in one building. The results of that have been, early on—because we just celebrated our first anniversary last week. Early on, the responses have been that we have been dramatically surpassing previous targets. The bottom line is that the Ontario government, which is an important funder of ours, has told us that we are the most efficient and effective with the funds that we've received under existing programs, like the SBEC program and the RIC program.

We have a good base to build on. We have about 2,000 technology companies here in Ottawa that employ about 75,000 workers. Let me put that into context for you: The city of Kitchener-Waterloo, very well known for its technology background, has less than half the number of companies and workers in this base than we do. I think, frankly, we haven't done a good job promoting that recently; we're going to try to fix that, but suffice to say that we've got a good base that we can build upon.

Our four colleges and universities—and I'm pleased to tell you that the presidents of those four colleges and universities personally sit on our board as well, so you're starting to get the picture that the Invest Ottawa board is a pretty significant player, bringing all the right people together—represent 120,000 post-secondary students here in the Ottawa area. That is a dramatic number of students and another thing we can build upon.

You may also have heard that we recently helped create the Mistral venture fund. This is Canada's newest VC fund, a targeted \$35-million fund that just made their first close. Interestingly, their first close was entirely private money, some of which was from China even. As part of that Chinese connection we had, we created the ZPark, a research park here in Ottawa. The Beijing ZPark is, believe it or not, 20,000 companies on 240 square kilometres, with 1.2 million workers and 100,000 PhDs. That's the magnitude at which they work in China. We were able to convince them to open their second-ever research park outside of China in Ottawa. So you've got one in Silicon Valley and one here in Ottawa, and we think that's going to be fantastic for companies that are eager to—and not just Ottawa companies. When word of this got out I was approached by several of my colleagues in other Ontario cities, asking if they could use that portal, if you'd like, to get Kingston, Toronto, Windsor and other companies through, into that connection in China, and we've agreed to do that. We're looking forward to doing that.

The bottom line is that, faced with some challenges, we think that we're well positioned, but we need a boost. That boost is part of what you see in the longer version of my notes, which you've got in front of you.

So three basic, broad asks or recommendations, if you'd like: The first is to use local organizations like ours—Communitech, FEDCO, KEDCO and others that exist I think have proven that they've got an ability to get things done. I know it's often tempting to come up with

new programs, but I think what you're going to find is that some of the programs, like the regional innovation centre program and the SBEC program, are getting good bang for their dollars—not equally across all cities. Although it's hard to pick winners and losers, we think that you want to be able to put that money in places where you're going to get a good result, and we'd be happy to stack our numbers up against anybody else in that respect.

We think that they can be a good communication tool for you as well, reaching out to other businesses, and we're happy to play that role.

The second most important thing is capital. Access to capital is a real challenge, and if you look at the investment numbers in Canada and in Ontario, particularly over the last number of years, you're going to find that they're down across the board. At the same time, you'll hear every pundit talk about dead money. There's dead money sitting in the individual wealthy; there's dead money sitting in corporations. That money needs to get out and get active. It needs to get invested into start-up companies and invested into growth.

Tax policy and other incentives are important. I know there has been previous talk about investment tax credits, and that may be one way to go. I think there is, at the bureaucratic level in the Ontario government, some concern that that might not be the most effective use of it, but I strongly encourage you to think about that from an investment point of view. If, with a minor tweak on your part, you can free up hundreds of millions of dollars of private sector money to let private sector people do what private sector people do best, and that is invest in companies that are going to win, I think that's a smart way to go.

Number three, and arguably the most important, is talent. It is very clear to us that we're heading into a talent war, more likely in 2015 and 2016, where the availability of skilled labour is going to be a major issue. It already is, but it's going to get worse. And we're going to have places like Fort McMurray who are going to be coming down here offering unbelievable salaries to English-speaking workers who will move out to Fort McMurray and make a lot of money and leave their parents, like my son did. And I know a lot of others are going to be doing the same thing. It's pretty appealing to a 27-year-old to work 10 days on, 10 days off and make \$180,000 a year, as he told me from Costa Rica when he called last night. So that is a challenge that we all need to face, and I think there are some things that we can do.

I don't think the government needs to lead this entirely. One of the areas we can work on is in the area of co-ops. Co-ops have proven extraordinarily successful in finding a way to connect the best and the brightest. So many of our students are foreign-born, and we want them to grow deep roots here in Ottawa or in Ontario and to stay. Co-op has proven to be one of the best ways to do that. We think one of the best ways to do that is get businesses involved in that. The problem isn't finding co-op students; it's finding businesses. I think we can educate

businesses to do that. Talent is going to be a challenge we all need to face, and I think business can do it with you. And that ends my presentation.

The Chair (Mr. Kevin Daniel Flynn): Very good. We've got two minutes left. Who's going to kick off? Monte?

Mr. Monte McNaughton: More just for interest's sake, what's the unemployment rate in Ottawa?

Mr. Bruce Lazenby: About 6.2%.

Mr. Monte McNaughton: And what percentage of the workforce in Ottawa is government?

Mr. Bruce Lazenby: Nineteen per cent of the workforce is in the community that I represent. So if you figure that 80% touches on the rest of local business, government and others, I will tell you that the largest employer is the federal government—

Mr. Monte McNaughton: Sorry. So what percentage of the people working in Ottawa work for a level of government?

Mr. Bruce Lazenby: Working backwards, I'm going to say close to 50%.

Mr. Monte McNaughton: It's half.

Mr. Bruce Lazenby: The largest employer is the federal government, the second-largest employer is the province, and the third, the city.

Mr. Monte McNaughton: I knew that. I just was curious. Okay. And then do you know off the top of your head what percentage work in high tech?

Mr. Bruce Lazenby: Twenty.

Mr. Monte McNaughton: Okay, that's what you're saying—the 19 or 20.

Mr. Bruce Lazenby: And that's a number we want to drive up, in whole numbers and in percentage. We're desperately trying to shed the image of a government town and get back to Silicon Valley north, which we were celebrated as a long time ago.

Mr. Monte McNaughton: How is Invest Ottawa funded?

Mr. Bruce Lazenby: Great question. We have about a \$7-million-a-year budget. More than half of that comes from the city. The city increased its participation by 30% a year ago and guaranteed that funding for three years.

Mr. Monte McNaughton: So the other three and a half?

Mr. Bruce Lazenby: About two point a little bit from the province, some from the feds and some from the private sector—about half a million a year from the private sector.

Mr. Monte McNaughton: But the majority is from different levels of government for Invest Ottawa?

Mr. Bruce Lazenby: Correct.

Mr. Monte McNaughton: No other questions for me.

The Chair (Mr. Kevin Daniel Flynn): Thank you. We've only got a few seconds left anyway. Thank you, Bruce. Thank you very much for being here today.

Mr. Bruce Lazenby: Thank you.

STUDENT FEDERATION OF THE UNIVERSITY OF OTTAWA

The Chair (Mr. Kevin Daniel Flynn): Our next delegation is from the Student Federation of the University of Ottawa: Anne-Marie Roy, vice-president of communications. Welcome, Anne-Marie.

Ms. Anne-Marie Roy: Thank you.

The Chair (Mr. Kevin Daniel Flynn): You've been there for a while, so you've seen what we're doing here. You have 15 minutes. You use that any way you like. If you do leave a little time at the end, the questions will come from the NDP.

Ms. Anne-Marie Roy: Okay, perfect. Thank you.

The Chair (Mr. Kevin Daniel Flynn): You get comfortable, and I'll start the timer when you start.

Ms. Anne-Marie Roy: Just so folks are aware, I will be doing part of my presentation in French also.

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Je commence par me présenter. Je m'appelle Anne-Marie Roy. Je suis la vice-présidente aux communications et la présidente élue pour la Fédération étudiante de l'Université d'Ottawa. Je suis aussi la présidente du caucus des étudiants francophones et bilingues de l'Ontario pour la Fédération canadienne des étudiantes et étudiants.

Hi, everyone. My name is Anne-Marie Roy. I'm the current vice-president of communications and incoming president at the Student Federation of the University of Ottawa, as well as the chairperson for the francophone and bilingual students' caucus for the Ontario component of the Canadian Federation of Students.

My presentation follows one that was held at 10 a.m. by two of my colleagues who are graduate students, so I will be going through recommendations 1 through 3.

I am here today because our post-secondary education system is in a difficult place at the moment, and as a consequence our students are facing a number of barriers on our campuses across the province. Ontario students pay the highest tuition fees in the country and have collectively accumulated \$9 billion in student debt.

Under the Reaching Higher framework, in place since 2006, tuition fees in Ontario have increased as much as 71%. Today, college students pay an average of \$2,526, while undergraduate and graduate students pay \$7,180 and \$8,041, respectively, for a year of full-time studies.

High tuition fees are the largest barriers to accessing post-secondary education and disproportionately affect those who cannot afford to pay up front. You may argue that the availability of student loans can offset the significant upfront financial barrier of high tuition fees. However, those who rely on loans end up paying more for their education because they have to pay back both the loan principal and accumulated interest after they leave school.

After the 2011 provincial election, the Liberal government introduced the 30%-off-Ontario-tuition grant. While additional funding for student grants is always welcome, the Ontario tuition grant is not truly 30% of tuition fees and was accessed by less than one quarter of

post-secondary students this past year due to its restrictive eligibility requirements. I'd also like to highlight the fact that, while the Ontario tuition grant was put in place, nine other grant and scholarship programs, including the Fellowship for Studying in French, were cut from the last budget, further removing financial support from students in need.

As a solution to alleviate the upfront costs of post-secondary education, students are calling for a new tuition-fee framework that would truly reduce tuition fees by 30% over the next three years for all students, regardless of their age, level of study, status as domestic or international student, course load or program. Additionally, we recommend that the Ontario government develop a long-term vision to further reduce tuition fees.

This is our first recommendation: We suggest, for year one, to reduce tuition fees by 17% through the reallocation of the funds dedicated to the Ontario tuition grant and provincial education tax credits. This proposition is cost-neutral. For year two, we would like to see an additional 6.5% tuition-fee reduction by investing an additional \$225 million in the sector. Another 6.5% tuition-fee reduction in year three would cost the government \$550 million.

In a context where 70% of new employment on the market requires a form of post-secondary education, I encourage you all to view this recommendation as an investment for the future of our province and economic well-being by ensuring we have a strong, highly skilled workforce in Ontario.

My second recommendation today is regarding access to post-secondary education in French.

Comme je l'ai mentionné plus tôt, la bourse pour étudiant en français a été coupée l'année dernière. Dans une province où nous avons un demi-million de Franco-Ontariens, nous avons seulement environ 22 000 étudiants qui poursuivent leur éducation postsecondaire en français. Je pense que ça démontre bel et bien qu'il y a une barrière très importante à laquelle font face les étudiants francophones dans la province. En fait, environ 77 % des étudiants qui graduent d'une école secondaire francophone et qui vont poursuivre leur éducation à l'université ou au collège vont choisir une institution postsecondaire anglophone, pas nécessairement par choix. Mais des recherches démontrent que les étudiants francophones qui poursuivent leurs études en anglais le font très souvent à cause de la distance. Donc, ce qu'on a découvert, c'est que les étudiants doivent faire le choix entre voyager pour poursuivre leur éducation postsecondaire dans la langue de leur choix et aussi couvrir les coûts additionnels qui viennent avec le voyage et le déménagement, en plus des frais de scolarité, ou tout simplement rester proche de leur domicile et poursuivre leurs études postsecondaires en anglais.

I furthermore strongly encourage the Ontario government to not only reinstate the Fellowship for Studying in French in the next budget but to engage in a province-wide discussion with francophone communities to better

evaluate how our province can meet the demand for accessible post-secondary education in French.

A recent report released by the province highlighted the fact that with a growing francophone population in the greater Toronto area, there is a growing demand for French post-secondary education in southwestern Ontario. While I appreciate that this report put forward the needs of Franco-Ontarians in southern Ontario, what about students coming from northern, rural areas? It is more than time for the Ontario government to take a closer look at the needs of francophone students across the province and come up with a strategy that would ensure we have access to a high-quality French education no matter where we are in the province.

The last recommendation I will be presenting is regarding the Ontario Student Assistance Program, OSAP. First of all, we believe that this program should be made available to part-time students. Many students drop their status to part-time not by choice but because they simply cannot afford the upfront cost of a full-time education, amongst many other reasons. Furthermore, Newfoundland, a province we can use an example, decided recently to eliminate interest, which ensures that all students are paying the same amount of money for their post-secondary education.

With the current system that we have in place with OSAP, I just want to use the example of a student who could only afford to make the minimum payment on their loan while reimbursing their OSAP loan. With the interest that would accumulate over the years, this student would pay an additional 30% of the overall cost of their degree because of this accumulated interest. This is a matter of social equity.

Before I end on this recommendation, I just want to take a quick moment to remind everybody that last Friday it was International Women's Day. When we're talking about equity, women are taking longer to pay back their student loans because we are still facing today some disparities with salaries. Women still only, on average, make 68 cents for each dollar that a man will make. We are three times less likely to find full-time jobs and three times more likely to work part-time. So evidently, this proposition is something that we should keep in mind for all of the women in the province but for the other students who are also facing financial barriers to access post-secondary education.

This wraps up my three recommendations that I was supposed to discuss today. Thank you very much for taking the time to hear me out today. I'm ready to entertain questions.

The Chair (Mr. Kevin Daniel Flynn): Great. Thank you, Anne-Marie. We've still got quite a bit of time left for questions—almost seven minutes. Michael or Cindy?

Mr. Michael Prue: This morning there was some discussion about the 30% that the government likes to stand up and talk about. Almost every question you ever ask them, they'll come back to 30% for students. But you said that only 25% of the students are actually eligible.

Ms. Anne-Marie Roy: Yes. There are so many restrictions with who is eligible for this grant: Part-time students can't access it; graduate students—there are a growing number of graduate students in the province also. International students can't access it, and students who are studying in professional programs—so teachers' college, law, medicine, engineering on some campuses. These are all professional programs, and these are all students who are not eligible for this grant.

Mr. Michael Prue: It was also said this morning that if it was just made universal, all students would see a 17% drop.

Ms. Anne-Marie Roy: Yes, exactly. If we took all of the money that's invested in the grant, but also the administrative costs, and we invested it directly in tuition fee reduction, we can reduce tuition fees by 17%. For the grant specifically, it's 13% across the board, but with the additional tax credits, which is part of our recommendation, we can reduce tuition fees by 17% across the board.

Ms. Cindy Forster: So when you say, "Take that money that was allocated in this year's budget," are you talking about the actual dollars that were allocated or the actual uptake of the dollars that were accessed?

Ms. Anne-Marie Roy: So you mean the dollars that the province dedicated for this grant?

Ms. Cindy Forster: Yes.

Ms. Anne-Marie Roy: Yes.

Ms. Cindy Forster: Not necessarily the dollars that were used because people weren't eligible.

Ms. Anne-Marie Roy: Yes, exactly.

Ms. Cindy Forster: Okay.

Mr. Michael Prue: I'm intrigued by this. So it wouldn't cost the government any more money. We could go ahead with this budget and say, "You've already earmarked this 30% for some students last year. You can take that exact same money without putting in an additional dollar and literally help every single student in the province."

Ms. Anne-Marie Roy: Yes. That's what we're saying.

Mr. Michael Prue: With no cost?

Ms. Anne-Marie Roy: Yes, that recommendation—the first 17% is cost control. The following two years, there would be a cost, but it is our opinion that it's definitely a good investment in the province to be investing in post-secondary education. But yes, the first portion of the recommendation, for the first year, the first 17%, is cost-neutral.

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Ms. Cindy Forster: I don't think I have any other questions, but I thank you for your presentation and I thank you for raising awareness of the inequities that still face women in 2013 in workplaces.

Ms. Anne-Marie Roy: Thank you. Also a fellow Wellander; I'm from Welland as well.

Ms. Cindy Forster: Oh, you are?

Ms. Anne-Marie Roy: Yes.

Mr. Michael Prue: If there is still some time? Eliminating the interest on the Ontario portion of OSAP's loans:

Have you done any cost analysis of what that would cost the government? Because we have to look at budgets, and if that costs \$20 million, we need to know that. Any idea what that might cost?

Ms. Anne-Marie Roy: I don't have exact numbers at the moment. On the other hand, I can definitely get back to you. There has been some cost analysis done on that.

Mr. Michael Prue: What are you being charged now? Are you being charged prime plus 1%?

Ms. Anne-Marie Roy: Yes.

Mr. Michael Prue: Prime plus 1%—that's what I thought it was.

Perhaps if the researcher can tell us what that might cost, that might be of benefit as well. How much that would cost, to allow the government to pick up the cost portion of the interest.

Ms. Susan Viets: So the interest portion on the OSAP loans?

Mr. Michael Prue: Yes. If it was interest-free—the repayment—how much that would cost the government on a yearly basis.

Ms. Cindy Forster: I have one more question.

The Chair (Mr. Kevin Daniel Flynn): Go ahead; there's time.

Ms. Cindy Forster: Are there any colleges or universities where you can actually access your entire education in French at this point?

Ms. Anne-Marie Roy: The University of Ottawa, Collège Glendon and Laurentian University are bilingual institutions. Collège Glendon is part of York University. Universities are going to claim that their programs are entirely in French, but as a student, for example, at the University of Ottawa, I've had to take courses in English either because they weren't offered or because there were no more spaces in the classrooms. Only about 75% of courses offered in English are also offered in French at the University of Ottawa. Even in the current system, with our bilingual institutions, there are some gaps that need to be addressed for francophone communities.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Anne-Marie, for coming today.

Apparently, there's rumours of white smoke in the Vatican, and also rumours that we may have—

Interjection.

The Chair (Mr. Kevin Daniel Flynn): It could actually be a Canadian Pope that's been elected. Interesting stuff.

THECODEFACTORY INC.

The Chair (Mr. Kevin Daniel Flynn): Let's move on with what we've got to do; TheCodeFactory Inc., Ian Graham. If you'd come forward, Ian, I know it's going to be tough to upstage the new Pope, but do what you can.

Mr. Ian Graham: Just when I show up, too. And we've never been seen in the same place.

The Chair (Mr. Kevin Daniel Flynn): Make yourself comfortable. You've got 15 minutes; use that any way

you see fit. If there are any questions, this time they will come from the Liberal Party.

Mr. Ian Graham: Sure. I had a presentation that I'd forwarded around, too. I don't know if everyone has that or not.

The Chair (Mr. Kevin Daniel Flynn): Yes. Is this it right here?

Mr. Ian Graham: Yes. We can go through that together. I have it here on my iPad, so we can flip through it. This is zoomed out, kind of at 40,000 feet, looking at entrepreneurship and innovation policy. That's what I thought would be a good way to look at it.

Socrates was a pretty smart guy, and I like his five questions, so I thought that's a good way to frame the discussion. One, who am I? Where is the economy going from a macro level? Why is the economy changing? What are we doing for innovation policy in Ontario today? In terms of how, these are policy issues that are important to myself and my constituents.

First, who are you? This is a standing committee; I did a little research on that. You're looking for observations, opinions and recommendations, so I'm here to offer those from my perspective.

Who am I? Now I'm on the "Who is Ian Graham?" slide. I'm the president of TheCodeFactory, which is an ethical business, a principled entrepreneurial organization. We're results-oriented and what I call a bootstrap business incubator. Our companies are self-funded and growing. We've actually created 20 jobs in our facility, which is just across the street, by the way.

To Bruce's point about funding being a challenge, definitely getting funding is a challenge. I would say the biggest challenge that early-stage businesses face is getting sales. You can't survive without sales. That's the number one thing. I also consider myself a start-up advocate, which is why I'm here promoting those bootstrap start-ups.

Next: "Where is the economy going?" I think there's little doubt that we're moving from an industrial economy to a knowledge economy. What that means is a significant change in terms of the way things are structured.

The next slide is, "Why is the economy changing?" I like policy and macroeconomics, and read a lot about this. These are all blog posts that I've written at some point or another, too. The first big change that I saw was what's called—and this is at the end of the industrial era—the decline and fall of the TV industrial complex. The TV industrial complex is a terminology coined by Seth Godin, who's a marketing genius, and that talks about the change from TV as the main medium of communication to the Internet as the main medium of communication. That's significantly different in how people sell and do business.

The second change is what I call business model migration. You can think of the old economy as companies like Nortel and large, hierarchical organizations. The new model is really different than that. Companies are flatter and distributed. They partner. There's no hierarchy. So the days of the hierarchy are going. You're see-

ing changes like that in things like the media. Newspapers: Probably five years from now, we won't have newspapers. They'll be all online, or they'll have migrated online. There are a lot of other industries like that.

What is happening, though, is what I call the rise of the micro-multinational. I see these companies—we have many of them working at TheCodeFactory. These are companies that have their head office either in Ottawa or elsewhere in the world. They have 10 to 50 people, but they're in 10 different cities. They don't need a big office; they just need space for a few people kind of thing. Those are huge changes.

What's happening now: I'd say the industrial economy is changing even faster, and we're getting what I call change accelerants. Localization is a big change. One of the first changes from hierarchy to ecology was the software industry. The same changes are happening in manufacturing today. Where you used to have large manufacturing organizations like Ford and GM and companies like those big hierarchical companies, manufacturing is coming back, but it's not going to be the same. It's going to be a lot of little manufacturers, manufacturing all kinds of different things, like 3D printers and fabrication machines. All these things are making local manufacturing possible, and with the high cost of energy, that's only going to happen more and more often.

The other thing that I see that concerns me is Japanese-style slow growth. If you look at the North American economy and the demographics, when the boomers were at the bottom of the period, it created a lot of growth as they moved through the demographic chain. But now they're near the top, and the demographics are basically—it's no growth without immigration. That's going to be consistent.

The final thing is that the euro financial crisis is very concerning—more so than the American one. I've seen a couple of events put on in Ottawa by Canada 2020 that had Martin Wolfe and Larry Summers come in and talk. That's a crisis that hasn't been dealt with. Anyway, that's a whole other story.

The next slide is on what needs to change in terms of the Ontario innovation and entrepreneurship policy. I think the way the model is funded right now is it's what I'd call a top-down funding model. Typically, what you'll have is an organization making requirements of entrepreneurs, justifying their programs, getting money from the government, developing a program and then giving it to entrepreneurs. That's my observation on how the system works.

Bottom-up is a little different. I'm on the next slide now. Rather than go through a service delivery organization, if there's a way—IRAP is a good example of this at the federal level. Fund the entrepreneurs and innovators—those are the people who are going to drive innovation in the economy—and have them vote with their wallets for the service delivery organizations that they want to work with. I think that does a lot of positive things.

If you switch to the next slide, the innovation value chain, it shows a comparison of that value chain in terms of the top-down funding model versus the bottom-up funding model. The key points are: (1) In bottom-up, the entrepreneurs are the centre of the model, which I think is really important; (2) it's democratic. The entrepreneurs are voting for the organizations that they want to work with. It's more free-market, and the bottom-up model is really a lot more innovation- and entrepreneur-focused. I think those are really important distinctions between the two models.

In terms of "how," at a macro policy level, I think the most important thing is for innovation ecosystems and support systems to be bottom-up rather than top-down. From a micro-policy level, I think an important thing is to enable entrepreneurs to fund their businesses.

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Actually, Yasir Naqvi was at TheCodeFactory recently, and one of our entrepreneurs said to him, "I just cashed in RRSPs, and I lost 35% of my money to the government." I've done this myself, and it's huge. It's a huge burden to bear when you're trying to fund a business and you have to give away a third of that money that you could use for your business.

Second, at a micro-policy level, I think a really good thing is greater access to working capital loans. I don't know if there's a way to do this in Ontario. BDC is making some positive strides in this direction now, but freeing up working capital for entrepreneurs is a good thing. Industry Canada has a program called the Canadian Small Business Financing Program, which is loans that are backed by the government for 75% to 85%, and the entrepreneur pays 15% of it themselves. The thing with the Canadian Small Business Financing Program loan is that it's only for stuff: You can buy furniture and fit-up, but you can't fund salaries. A real challenge when you're starting your business, until you start to get sales, is funding your salaries, so both those micro-policy initiatives are around helping entrepreneurs fund their salaries early on.

That's it. Thank you.

The Chair (Mr. Kevin Daniel Flynn): Thank you very much. You've left a lot of time—our side. Dipika?

Ms. Dipika Damerla: Thank you so much for this presentation, Ian.

Mr. Ian Graham: You're welcome.

Ms. Dipika Damerla: It's very interesting. I'm just going to zero in on the first one that really caught my attention—

Mr. Ian Graham: Sure.

Ms. Dipika Damerla:—which was your proposal of tax-free cashing of RRSPs.

Mr. Ian Graham: Yes.

Ms. Dipika Damerla: The challenge with that is that, in the first place, you got a tax refund, right? That's the reason you pay the 35% back. Are you suggesting that that 35% is forgiven or—

Mr. Ian Graham: It's forgiven, yes.

Ms. Dipika Damerla: Oh. And only for entrepreneurs?

Mr. Ian Graham: The constituents that I consider myself to represent are early-stage businesses. So, yes. For people that are starting businesses, money is really hard to come by. That would be a good way to put money into the hands of people that are starting businesses. I think that's a difficult thing to—everything has challenges. Conceptually it's a good idea.

Ms. Dipika Damerla: It would be hard to administer, because how do I know whether X—who's coming and saying, "I put in RRSPs, I got tax back, and now I want to cash it in, but I want you to forgive the tax liability that I would have"—whether you're an employee or an entrepreneur? It would be very hard to administer.

Mr. Ian Graham: You couldn't be an employee and do that; it would have to be a founder of—

Ms. Dipika Damerla: But how does the government monitor?

Mr. Ian Graham: One, it's going to be a paid-in-capital loan to your business, so that's one way to check that the money goes into the business. Two, you could limit the number of withdrawals someone could make, dividends they could pay to themselves or something. I think there's a way to do it.

Ms. Dipika Damerla: And would you have an idea of how much that would cost the treasury?

Mr. Ian Graham: No idea at all; none.

Ms. Dipika Damerla: Okay. That was my main question.

Mr. Ian Graham: It would depend on how many people would do it and stuff, too.

Ms. Dipika Damerla: Yes, so that would be the other challenge, right?

Mr. Ian Graham: I don't think that much, but I think the thing is that it would make a really big difference for those little companies.

Ms. Dipika Damerla: All right. Thank you.

The Chair (Mr. Kevin Daniel Flynn): Soo?

Ms. Soo Wong: Thank you very much for your presentation. I'm just curious: With regard to your micro-policy, you mentioned innovation tax credits. What number are we looking at?

Mr. Ian Graham: Sorry; everyone wants numbers. I don't know the numbers. I'm more pitching the concept rather than the math behind it.

Ms. Soo Wong: Okay. Do you know which provinces have this innovation tax credit?

Mr. Ian Graham: I don't think any do right now. These are new ideas, that I don't know that anyone is doing.

Ms. Soo Wong: Okay.

Ms. Dipika Damerla: Actually, Soo, if I can follow up on that: How would this be different from the SR&ED credits that we have?

Mr. Ian Graham: SR&ED credits are R&D tax credits, so SR&EDs pay back on salaries when you're doing R&D.

Ms. Dipika Damerla: So how is this different conceptually?

Mr. Ian Graham: A working capital loan wouldn't have to be used for just R&D.

Ms. Dipika Damerla: Sorry, I'm talking about the innovation tax credit.

Mr. Ian Graham: The innovation tax credit is just—the idea is how to fund from the bottom up. It would be more some kind of credit that's given directly to the entrepreneur that they can use to purchase programs in the innovation ecosystem.

Ms. Soo Wong: Okay. Thank you. Thanks very much.

Mr. Ian Graham: Okay. You're welcome.

The Chair (Mr. Kevin Daniel Flynn): Thank you. Thank you very much for coming.

Mr. Ian Graham: Thanks very much for taking the time to listen.

The Chair (Mr. Kevin Daniel Flynn): Very interesting. Thank you.

SAINT PAUL UNIVERSITY STUDENTS' ASSOCIATION

The Chair (Mr. Kevin Daniel Flynn): Our next delegation is Sean Maguire from the Saint Paul University Students' Association. He's the VP external. Sean, have a seat; make yourself comfortable. You have 15 minutes. Any time for questions at the end will go to the PCs.

Mr. Sean Maguire: Okay. Thank you, Mr. Chair.

As you mentioned, my name is Sean Maguire. I am the vice-president external of the Saint Paul University Students' Association. The irony that there might be a new pope while the guy from Saint Paul University is—it's not lost on me.

The Chair (Mr. Kevin Daniel Flynn): We thought you'd have some insight.

Mr. Sean Maguire: I represent the approximately 600 students who attend Saint Paul University here in Ottawa. I want to welcome you to Ottawa and thank you for taking the time to engage citizens and groups in these pre-budget consultations.

I understand that you have heard from other student associations in the Ottawa region earlier today. We are all members of the Canadian Federation of Students. I can tell you that their issues are also our issues, but I think you will be hearing different issues as well from me as I go through my presentation.

First, I would like to note the concerns that we have with the government's 30%-off grant program, which I heard you talking about earlier. I think a brief outline of our membership profile will outline some of the issues we have with the program.

In the fall of 2011, there were 601 degree-seeking students registered at Saint Paul University. Of these, 261 were full-time graduate students, 69 were part-time graduate students and 85 were part-time undergraduate students. They are all, by definition, ineligible to receive the 30%-off grant. Of the remaining 186 full-time under-

graduates, 14 were international visa students who are also ineligible to receive the grant. Of the remaining 174 Canadian full-time undergraduates, we would need to exclude those with family incomes over \$160,000 and those who forget to apply for the grant, despite the efforts by the ministry, our university and our student association—we wallpapered the university, getting people to apply for the grant—and, of course, people from out of province—and we are in Ottawa, so there are a number of students who come across the river from Gatineau.

Most significantly in our case, however, would be the need to remove those who are more than four years removed from high school. In 2010, the university reported that the average age of all students at Saint Paul was 37 years old. While graduate students are part of that statistic, the reality is that there are relatively few students at Saint Paul who are between 18 and 22 years old, the target age of the grant. Given the low proportion of SPUSA's membership who are eligible for the grant, SPUSA recommends that the 30%-off grant program be transformed into a direct-funded tuition reduction across the board.

Second, I wanted to mention the need for increased funding for the Ontario Graduate Scholarship Program. This program is the definitive tool that the government has at its disposal to retain the best and brightest to stay in Ontario and pursue graduate studies. Given that tuition fees for graduate students are the highest in Canada, increased OGSs are needed more than ever to keep these students and their future economic potential here in Ontario. SPUSA recommends increased funding be allocated for Ontario graduate scholarships.

Third, I wanted to briefly mention that this year, SPUSA joined the other Ottawa student associations and signed on to the city of Ottawa's U-Pass, with an 86% majority vote with very high participation among full-time students. With increased participation in these U-Pass initiatives across Ontario, students are putting their money where their mouths are in supporting public transportation in our urban areas. SPUSA recommends that the provincial government continue to support our public transportation infrastructure needs.

Fourth, SPUSA would like to suggest that the finance committee consider the idea of part-time Ontario graduate scholarships. Currently, these scholarships are reserved only for full-time students at Ontario universities and are allocated on the basis of merit, as defined by current grades, the student's research proposal and letters of support from previous instructors. We would like to point out that good ideas can come from life experience as well as from previous academic training. Part-time graduate students who have excellent academic records and superior research proposals should not be excluded from merit-based financial support. Thus, SPUSA would recommend that the provincial government consider a pilot project where a small amount, say \$1 million, is provided to one or two universities to run an internal OGS competition exclusively for part-time students. The scholarships would be proportionately smaller, of course, but would

still support part-time graduate students as they pursue their valuable research.

Fifth, a number of our members have expressed concern about equity issues within the post-secondary education sector. For the purposes of this committee's considerations, these include a lack of equity-based financial assistance and of a designated equity office on our campus. SPUSA recommends that the provincial government ensure that equity services are available at all campuses in Ontario, and that consideration be given to targeted financial assistance for specific disadvantaged groups.

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I would like to conclude with two issues related to students living on campus in residences. It being tax time, of course, some of our members wanted to ask about the application of property tax credits to students living on campus. Subsection 8(8) of the Income Tax Act stipulates that the occupancy cost for students in residence be deemed to be \$25. This provision has been in place since at least 1996 as best we could determine, and possibly earlier. Whatever the basis for that credit was when it was inserted into the Income Tax Act, the value of it has clearly eroded over time. SPUSA recommends that the dollar value of that tax exemption be reviewed and that the Income Tax Act be amended to better reflect the real dollar value of that provision from the period when it was implemented.

However, this also raises a larger question about property taxes and rents. It is our understanding that universities are generally exempt from paying property taxes for buildings, including residence buildings. It is on this basis that subsection 8(8) exists, to provide only a nominal occupancy cost for the purposes of income tax credits. The government shouldn't give a tax credit for property taxes that it is not raising from on-campus buildings. At a certain level, that makes sense. The problem from a student perspective is this: Most universities charge market rates for rent. In so doing, universities charge rent that in the private sector implicitly includes property taxes. So students residing in residence buildings pay market rents but are unable to claim a portion of their rent as a tax credit by virtue of subsection 8(8) that I was talking about earlier.

SPUSA recommends that the committee study the application of 8(8) and the larger issue of the property taxation status of university residences that simultaneously charge market rate rents to students while benefitting from a property tax exemption.

My last point: The Ontario Residential Tenancies Act sets out the rights and responsibilities of landlords and tenants who rent residential properties in Ontario. However, many of the rules in the act about rent do not apply to college and university residences, with the exception of rules around maintenance and eviction. College and university administrations have typically been against having student residences covered under the act and have claimed that omitting residences from the act is for the protection of students. Administrations have also used the omission of residences from the act to justify imple-

menting intrusive instruments like non-academic codes of student conduct. Students who live in college or university residences do not have adequate legal protections because they are omitted from much of the act. For example, they do not have the option of bringing claims to the Landlord and Tenant Board if they encounter problems with the operation or safety of their residence. Students may also be requested to vacate their residences between semesters—for example, over Christmas—something which would be very difficult to impose on residents if student residences were covered by the act.

SPUSA recommends that the provincial government consider the feasibility of more fully applying the Ontario Residential Tenancies Act to university residences.

My thanks to the committee, and I wish it well in its ongoing pre-budget consultations. You are almost done your day. Congratulations. If I have time, I will be happy to take questions.

The Chair (Mr. Kevin Daniel Flynn): Well, you have quite a bit of time, just over six minutes. Peter?

Mr. Peter Shurman: Thank you, Chair, and thank you, Sean, for a good presentation—not the first we’ve heard of your type of presentation, you’re correct. You amplified on some points others made, but I’m going to have the same conversation with you—and that’s what this is, a conversation—about some of the points that you’ve raised.

I’m concerned because of the financially precarious situation that the province finds itself in—and you’re aware of that—with the recommendation that has come from you and other student-group representatives, which in effect looks at money as most groups do: It’s a panacea. “We’ll throw money at this problem. What we’ll do is, we won’t take this 30%,” which my party has addressed on a negative basis anyway. So I’ll dismiss that. But we take whatever money is available, and we give it to everybody. We give it to everybody on the basis of whatever they choose to do with it, i.e., if you are 37 years old and you’re a student, you’re entitled to it, and if you’re 18 years old and going into an undergraduate program, you’re entitled to it.

I understand your point, on the one hand. On the other hand, there are people—and I’ve had them in my family—who like to be perennial students: “Well, you know, I’ve got my BA. Now I’ll go and get a law degree. Gee, I think I’d like a PhD.” I have somebody in my family like that; at the end, he also decided to become an engineer. He has all those degrees and he works for government, so go figure, but that’s an aside.

My point in talking about this is, what I’d like to see provincial money go for is to maximize a person’s education in a field of endeavour that they’ve chosen that would be productive to them and productive to society in a short period of time. One of the things that we’ve done in studying the situation—and we have studied it, with professionals from your sector, from the teaching sector, from the student sector—is to discover that people are making choices, sometimes being pushed by parents, to go and get a university degree and then finding that that

university degree doesn’t have as much merit in going out into the job market as might a degree they could get from a community college, so then off they go to a community college. So now we’re six, seven, eight years into an education before somebody goes out and becomes gainfully employed.

I’m supposed to, as a representative sitting on the finance committee, support underwriting that. I have a hard time with that, given what we’re up against. I’d rather see somebody go and get an undergraduate degree in three years in a community college, and if they do want to make a professional choice, do that then. How do you react to that?

Mr. Sean Maguire: There are so many hats I could wear on this, because—

Mr. Peter Shurman: Well, I rambled for a bit; forgive me for that. You can ramble if you want.

Mr. Sean Maguire: That’s fine. It’s just that I may actually be one of those students you were talking about, because I have a couple of degrees as well, and I’m about to get another one. I’m also a parent, and I have three kids.

Mr. Peter Shurman: As am I.

Mr. Sean Maguire: I’m also looking at it from that perspective as well.

You’ll notice—and it’s maybe a little bit subtle—that our recommendation differs slightly from at least the one that I heard earlier, which was 30% off tuition for everyone. Ours is, take the 30%-off grant and only the 30%-off grant.

Mr. Peter Shurman: Sorry; I’m not hearing you well.

Mr. Sean Maguire: Sorry. Our recommendation is to take the 30%-off grant and transform it, and only it, into a direct-funded tuition reduction across the board, so it’s—

Mr. Peter Shurman: For everybody, no matter who or from where.

Mr. Sean Maguire: Absolutely, but the problem with the current—which was the point of me breaking down the numbers at our university—is that it’s almost too focused right now. From my perspective, as a student association, I got it down to 174 students as the theoretical maximum. But given out-of-province and the demographic of our student association, my guess is 50, and it’s only a guess. The ministry would know much better than I how many students at my university got the grant. So I’m in a situation of 600 members, and 50, maybe 100 on the far outside, in my opinion, are getting the grant and 500 or 550 are not getting it.

Mr. Peter Shurman: Maybe I can get you to focus a little bit. Why is it that you come before us, and other people speaking on behalf of student bodies come before us, and say, whether it’s a reduction in tuition or whether it’s extending the 30% to everybody—however you want to slice it—why would you say that the same thing should apply to an international student or an out-of-province student, or every student, where some come from wealthy families and some don’t? Why would you make it absolutely across the board instead of targeted?

Mr. Sean Maguire: I get the case for targeting; I'm just saying it's too targeted. To put it another way, I actually understood some of the restrictions, but in their totality, it was just too much for me to get—

Mr. Peter Shurman: So if I was to be able to push you a little bit against the wall and say, look, if we really were going to take a look at tuitions, however we do it—whether we retain the 30% grant that the government extended or whether we look at it another way; whether we decide to increase student funding in some other way—you could accept targeting if it were a broader form of targeting. But this kind of “across the board” that you talked about—you used that phrase, and two other groups used that phrase. Across the board: I don't see it.

Mr. Sean Maguire: In my opinion—and you have yours, of course—it's a better alternative than over-focusing. We're on two sides of, I won't say a fence—

Mr. Peter Shurman: I hear what you're saying, but I also hear from Ontario families a lot. I think if I said to Ontario families, “Do you want everybody to get a reduction in their tuition, or do you want us to focus on Ontario-based kids first?”, they'd say, “I want you to focus on Ontario-based kids first.”

Mr. Sean Maguire: Okay.

Mr. Peter Shurman: Thank you very much, sir.

The Chair (Mr. Kevin Daniel Flynn): Any other questions? There's about a minute left. Nothing?

Thank you, Sean, for coming today. Thanks for your presentation.

Mr. Sean Maguire: Thank you.

VHA HEALTH AND HOME SUPPORT

The Chair (Mr. Kevin Daniel Flynn): Our next presenter today is Valerie Bishop de Young. She's the executive director from VHA Health and Home Support. Valerie, if you'd like to come forward. Make yourself comfortable. Like everybody else, you get 15 minutes of time to use any way you see fit. If there is any time at the end, it will go to the NDP this time.

1500

Ms. Valerie Bishop de Young: Good afternoon and welcome to Ottawa. Thank you for the opportunity to appear before the committee and provide you with the perspective of VHA Health and Home Support.

We're a not-for-profit home and community support provider. We were started in 1958 by a group of community-minded volunteers who were concerned about the care and the well-being of physically disabled and frail seniors in Ottawa. Fast-forward to today: VHA continues to strive to meet the needs of the vulnerable in our community. We provide personal support service, home support service and attendant care outreach service. That is targeted to the physical care needs of people with physical disabilities.

Additionally, VHA owns and operates a registered private career college that is approved by the Ontario Ministry of Training, Colleges and Universities. We train adults in the personal support worker certificate program.

PSW training is the standard for care in the community and in long-term-care facilities. VHA is a member of the Ontario Community Support Association, a network of agencies providing community care to over one million Ontarians every year.

What is our economic impact? VHA serves about 2,500 patients, or clients, as we refer to them, each year. Our clients are mostly frail seniors. All have at least one chronic condition; many have up to four. VHA contributes to the community's economy by employing over 300 people. We offer competitive compensation, including a pension plan. We believe home care is a career, and employees should be able to consider it as such.

The services provided by VHA, home and community support services, give the government the best value for the investment. Dollar for dollar, community support services are significantly less costly than a hospital or a long-term-care facility. And community support services keep people where they want to be as they age: in their own home within their community.

My aging parents suffered some significant health setbacks this past year. They would do well with nursing care, laundry and meals offered at a seniors' facility. So after my father's stroke and my mother's back surgery, they went into a seniors' facility to try it. Their only complaint was that they rarely saw a young face—lots of smiling seniors; lots of ambulances. People went out; some people came back. But there wasn't the activity and the exuberance of the street and the community that they had lived in for so long. So they opted to leave, and they're at home now on their own. They do enjoy one community support service that helps them with some home cleaning, but they're on a wait-list for transportation assistance. My father can't drive anymore; nor can my mother. So I'm pretty connected to that kind of service here in this community, and I can't get it for my folks because there are wait-lists. But they're happy in their community.

The fiscal conundrum: You people could probably tell me about this than I. An aging demographic—it's not a tsunami but it is upon us, and it will continue to grow over the next 20 years. Medical science has advanced such that people with disabilities are living longer, and they're part of our 65-plus population.

We're not aging as well as we could. The prevalence of obesity and chronic diseases suggests an increasing toll on our health care system in years to come. The aging demographic will be a challenge for any provincial government, regardless of party affiliation.

Community support services are a great investment. A progressive, modern health care system keeps people healthy and connected in their homes, not sick and isolated in institutions. Complex care supports can be achieved in the home. Home and community care is the efficient, effective answer. Community care is lower than hospital- or facility-based alternatives. Family caregivers are invaluable to the health care system, so caregivers need the relief and respite that can only be provided by community support services.

The response: We're very conscious of the government's health care objectives to deliver efficient, quality health care services to help prevent people from getting sick and requiring more acute care. And these are the objectives of the home and community sector. Care in the community is the optimal health solution. It's efficient and flexible. It allows people to remain in their own home for as long as possible, as independently as possible. The health system and the government recognize this and are relying on community care. But community support services remain underfunded in favour of the more expensive alternatives.

Our request—we have three of them: modest, targeted funding for community-based health services, and that is a justified long-term investment. We would like to see the government maintain a commitment to increase funding by 4% to community support services in this year and in the next two years. This was a recommendation of Dr. Samir Sinha in his report to the Ministry of Health and Long-Term Care, and we fully support it.

Cost-of-living funding to support the community support infrastructure: Just as our cities and their infrastructure is wilting, so does an organizational infrastructure. Utilities, equipment, insurance, information technology—these do not know any funding limits.

We suggest that the wage freeze that is impacting personal support workers and other workers in this sector is an unintended consequence of a larger mission. We'd like to see that lifted, please. Community support service workers are among the lowest paid, and we depend a lot on them and we're going to need them more and more in the future. With respect, the wage freeze is counter-productive to health policy goals.

The provincial government is counting on the community support sector to meet the needs of an aging demographic. We are here and we are ready and we want to be as capable as we need to be. We can do it with considered investment. As an Ontario taxpayer, I believe that this money would be well spent and wisely invested.

Thank you for the opportunity to share our views. You have my contact information on the last page of my submission. I welcome any questions you may have.

The Chair (Mr. Kevin Daniel Flynn): Thank you very much. Great use of time. We're going to the NDP. You've got about eight minutes.

Ms. Cindy Forster: Thanks for your presentation. So what is the average wage of a personal support worker in the community sector?

Ms. Valerie Bishop de Young: The average wage is somewhere around \$14, and that is raw wage. Some organizations provide benefits—very few organizations. I believe there are maybe two or three that offer a pension plan. We actually pay higher than that.

Ms. Cindy Forster: What percentage of that workforce is part-time?

Ms. Valerie Bishop de Young: It's a very casualized workforce right now, very much so, and that is because they're working in two or three different places in order to make a living. Long-term-care facilities pay more.

Ms. Cindy Forster: And what percentage of the community agencies where these personal support workers work are non-profit versus for-profit?

Ms. Valerie Bishop de Young: All of the ones that are funded by the government as community support services are not-for-profit. Those that work through the CCACs—it's a combination.

Ms. Cindy Forster: Now, when you talk in your (b) ask here, cost-of-living funding to support the community support infrastructure, you're talking about supporting the agencies in modernizing their technology and—

Ms. Valerie Bishop de Young: Yes, for many years—the hospitals always get sort of base blanket funding.

Ms. Cindy Forster: Right.

Ms. Valerie Bishop de Young: For many years, community support services did not. Through the 1990s and up until the—sporadically through this generation, this decade, we've received some moderate cost-of-living increases, but certainly it's hardly enough to keep going.

We recognize the fiscal challenges. This year, there was no base funding—targeted funding only to specific services, to specific programs. It's fine now but it's going to erode, and we're not going to be there in the numbers that are needed over the next 10 to 20 years.

Ms. Cindy Forster: What's the turnover rate for personal support workers amongst the agencies?

Ms. Valerie Bishop de Young: In my organization—but we pay benefits, pension, and we pay higher—we have a very low turnover rate: less than 6%, I believe. For others, there's a constant churn.

1510

Ms. Cindy Forster: We certainly heard that when personal support workers, through their union, had their lobby day at Queen's Park. We had some personal support workers who told us that they actually could make more working at Tim Hortons than they could looking after the most fragile and vulnerable under their care. Although they hated to actually leave that job, they had to, because they actually couldn't support their families on casual wages and then have to put gas in their vehicle that they weren't compensated for and perhaps drive an hour to do a 30-minute or a one-hour visit—all of those kinds of things that truly impact the quality of their work life as well as their home life.

Ms. Valerie Bishop de Young: Absolutely. While they're at Tim Hortons, they're not caring for our loved ones.

Mr. Michael Prue: Your last argument here is intriguing, that the employees of community support services should not have their wages frozen. We hear a lot about this in the Legislature, particularly from my colleagues in the Conservative Party wanting to freeze everybody's wages for two years. Why is it counter-productive to freeze the wages of people who make \$12 an hour or \$14 an hour?

Ms. Valerie Bishop de Young: Because it's so low. The freeze has impacted everybody from the hospital CEO all the way down to the lowest-paid worker. That's

not productive. They are, in fact, going off to Tim Hortons. They're going off to Walmart. They'll go anywhere else they can. You end up with a fragmented workforce, if you have a workforce at all.

If there's a wage freeze, a salary freeze, target the salaries that you want to target. But a wage freeze that hits the lowest common denominator leaves us with no functionality.

Mr. Michael Prue: So what you're saying is that it may be all right to target those who earn a pretty fair buck, but not those who work at pretty much subsistence level.

Ms. Valerie Bishop de Young: I would say, do not target anyone who provides direct care. That means that your freeze would continue to stand for everybody in administration, for every CEO, for every executive director. But direct care is where you need it.

Ms. Cindy Forster: Is part of the issue of wait-lists—I know part of it is that the overall budget isn't large enough to actually hire the workers to provide the care that's needed. But is part of that also the low wage bracket and the inability to attract more people into this area?

Ms. Valerie Bishop de Young: Recruitment and retention are a definite challenge, yes. Base funding will allow for people to be more creative.

Community support services are among the most transparent organizations you'll find. We have to report line by line. There is little, little variability. Hospitals have global budgets. I realize there's some tightening up on that, but it's still very global. Long-term-care institutions are similarly run. Community supports are your best bang for your buck. You know exactly where every dollar is going.

Ms. Cindy Forster: Thank you.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Valerie, for being here today. We appreciate your presence here.

Ms. Valerie Bishop de Young: Thank you.

SPINAL CORD INJURY ONTARIO

The Chair (Mr. Kevin Daniel Flynn): We're down to the last two of the day. The next one is Nathan Hauch from the regional spinal cord injuries solutions alliance, who is the regional spinal cord injuries solutions alliance's coordinator. Nathan, if you'd like to make yourself comfortable. Like everybody else, you get 15 minutes. Questions this time will come from the Liberals.

Mr. Nathan Hauch: Thank you very much. First of all, I'm hard of hearing, so I'm wearing the headphones. That way, I'll be able to hear you better and so forth.

Just before I begin, I would just like to let you know that I have a verbal copy of my presentation that's being submitted to you as well as a submission jointly through the Ontario Community Support Association. We give more as an appendix and a more detailed breakdown of a portion of our ask here today.

First and foremost, my name is Nathan Hauch, and I'm here on behalf of Spinal Cord Injury Ontario, formerly the Canadian Paraplegic Association Ontario. I do co-ordinate our regional solutions alliances, and we partner with our provincial partner, which is also affiliated with the Ontario Neurotrauma Foundation. Broadly speaking, we are a network of consumers—people with spinal cord injuries—researchers, service providers and other stakeholders, and we have a mandate to identify and address, through evidence-based practice, systemic barriers to community participation and optimal health outcomes.

First and foremost, what my organization does is work with people with physical disabilities, and spinal cord injuries specifically as well, to facilitate community integration through service coordination, peer support and advocacy. In the Toronto region, we are proud to have provided a consumer-driven attendant services program for over 26 years. So we really are quite proud to help set a standard in that regard.

It's regarding the need for more community-based attendant services that I'm here today, so Valerie's presentation is very timely to the one that I'm making right now. I'm pleased to speak to the merit of community-based attendant services in terms of service outcomes or health benefits, as well as immediate cost savings to the system. I understand that you're going to be hearing a lot today from people who will say, "Well, you'll save so much money down the line," and it's apparent that the province faces some fiscal challenges and, some might argue, cash-flow challenges at any given time. These investments that I'll be speaking about today can very much provide an immediate bang for your buck, if you will.

Before I continue, I would like you all to just—you've been hearing all day; so I'd like to do a little interactivity here. I'd like you to imagine that you have sustained a spinal cord injury. It happens much more than we would like it to. The personal costs are devastating, the medical costs are substantial, but there's also the day-to-day challenges that people I work with often face. You wake up and you can't move your legs or your arms. When, even if, you get out of bed that day depends on the supports that you have available. You might be reliant on family and friends, but we did a community forum here in Champlain, and we found that many people were afraid to ask their family and friends for the support they needed because it was straining their own relationships in their families, and families were feeling maxed out. Valerie talked about the need for respite support etc., but many people don't have families. This is very true. I work with people who rely very much on attendants to come in and allow them to maintain their daily functions.

Over time, due to a lack of sufficient attendant services, you would develop secondary complications—pressure sores, urinary tract infections, something called autonomic dysreflexia: conditions that can seriously escalate and bring people into the emergency room and, in the worst-case scenario, escalate to the point of death. This might sound hyperbolic, and it's really not. The sec-

ondary complications really are the things that require the earliest intervention, and community-based attendant services are the most cost-effective means of doing so, as well as the most effective means of doing so.

Attendants make all the difference. They are at the heart of assisting people like you. Because of them, you are healthier and able to thrive at home, in the community where you belong. Attendants enable you to live your life. They now assist you and other Ontarians with physical limitations with activities of daily living, which we know include things like bathing, dressing, feeding and the like.

But there's one piece that people may not be aware of. Community-based attendant services provide a wider complement of service than some services that may be provided through CCACs, and I'm going to be specifically speaking about more intimate routines such as bowel care and bladder functions and so forth. The way that the CCAC here locally operates is that they will hire professional services, which are a higher cost, and they train family members etc. We are suggesting that there is a very substantive cost savings to be made for the community-based attendant services through community support agencies. They also may assist with regular maintenance routines, as directed by the consumer, so that could be a version of physiotherapy—stretching and the like—again very necessary to reduce your secondary complications and improve your quality of life.

Of course, one of the big pieces is, how are you going to pay for this? We were part of a study that was done in Australia that said, "What enables people with spinal cord injuries to maintain their activity in the workforce?" Your two main pieces: accessible transportation and access to attendant services. It is very difficult for people to acquire a job and then not be able to show up for work on time because the attendant was late or not available. So that's where it is. It's very useful.

Despite all of these tremendous benefits that attendants offer, many Ontarians are having to do without the crucial services that they provide. We have seen some positive changes, however. In 2012, as part of its provincial election commitment, the government committed \$1.7 million to the self-managed direct funding program—this is where consumers are paid directly to hire and administer the services that they receive—and 54 people through that \$1.7 million, people like me and you, are now supported in the community. They are not at hospitals, they are not in ALC, alternative level of care, and they are where they belong. This was wonderful news.

1520

In recent years, the government has recognized the value of the community-based health sector with initiatives such as Aging in Place as administered by CCACs and expanded supports to senior populations.

But this is why I'm here specifically today: A significant barrier remains in so far as non-senior populations with longer-term health needs face substantial challenges in getting attendant services. This is not in any way to

suggest that we do not support efforts toward seniors, but that we have a cohort that is not receiving the support that it needs.

In September 2012, a government-sponsored report on attendant services found that the average wait times for what are called outreach attendant services range from three months to seven years. For direct funding, this is two and a quarter years to seven years, and for assisted living services for supportive housing, the wait-list can be up to 10 years long.

The Champlain Attendant Services Network, which administers a centralized wait-list for attendant services in this region, indicates that locally, with supportive housing and community outreach wait-lists combined, there are 222 people on the wait-list for service. Of this, 186, or 84%, are under the age of 65. This is a substantial cohort, and their needs are significant. The status quo is too costly.

Many LHINS have recently made some investments to community support service agencies for senior populations—and these are welcome—but not for non-senior populations. As the report notes, "Respondents reported that the priority given to seniors in the health system creates competition for resources with adults with physical disabilities who use many of the same support services as seniors and also experience symptoms of aging earlier than people without physical disabilities." Myself, I just turned 31; I feel 45. So, you know, that's a little bit of a testament there.

They also go on to say in the report itself, "Policy restrictions are seen by some service providers to inhibit new ways to provide services to adults with disabilities; expanding eligibility criteria for aging at home funding so that it is based on functional capabilities rather than age might help mitigate this issue."

But this is where it really hits home. When we look at the survey data, we find that there are over 5,000 individuals in this province waiting for service. The report also found, not surprisingly, that with wait-lists like the ones I told you about, many people do not even bother to apply. The need is more significant than that. The report also found that some consumers never receive services, and it pains me greatly to have to tell you that some people pass away before they can receive them. It's clear, as I said before, that the status quo is not working.

So where do we go from here? Last December, the government rightly recognized the need to start addressing the challenges faced by the top 5% of health care users who, due to their health status, account for two thirds of health care expenditures, people with complex health conditions and—again, I reiterate as a point of policy focus for us to move forward as well—non-seniors with disabilities.

The Health Links initiative that was recently announced in December is an opportunity to ensure that community services are an equal partner in the delivery of health care services in this province. However, Health Links will take time to implement, and the need is now.

In the meantime, needs exist, and hospitals, as we know, are facing significant pressures to provide services with limited resources. We saw a lot of this talk in the Drummond report, about moving some hospital dollars into the community sector and so forth, but one of the big pieces is that there is an implementation challenge to make sure that the flow of those resources and that infrastructure is in place to allow for that smoother coordination.

The Ontario Attendant Services Advisory Committee—of which SCI Ontario is a member—is here to offer a solution. So we're not just coming with blanket asks today. We have a targeted solution to offer, and that is that the Ministry of Health and Long-Term Care allocate a percentage of the community services expansion dollars to attendant services in each LHIN and that these reallocated dollars go directly to the attendant service providers so that they in turn go directly to service.

How can we afford to make these investments? It is all very well to ask for them. I submit that we cannot afford not to make them. As the report notes, "The consequence of not factoring these population changes into health system planning will be premature or inappropriate placement of adults with physical disabilities in long-term care, loss of independence and increased health care costs."

I can tell you right now, we work with people in their late twenties and their early thirties and so forth who are very much at risk of losing their homes. Some people are indeed in long-term care. I would really like to stress that if we are serious about cost savings, not having that early intervention is very much a challenge, because once somebody is placed in long-term care, they often lose their accessible home, their comfortable environment. You might be able to do the service piece, but how can you bring them back into the community, with a comfortable environment—accessible, properly renovated and so forth? It's very much a need to move beyond the patchwork to the more seamless integration of services.

In financial terms, community-based attendant services make sense. Attendant outreach services, at an average of 2.5 hours a day, cost \$2,250 a month or only \$27,000 a year. Assisted-living services in supportive housing—this could be anything from a single comfortable environment to a hub model, where an attendant goes out and provides services in a contained geographic area—at an average of four hours a day costs \$5,000 a month or \$60,000 a year. A single hospital bed—and you've heard much of this, about the high cost of ALC and so forth—is extremely costly: \$42,000 a month or half a million dollars a year. The numbers speak for themselves. The status quo is expensive, and change for the better is cost-effective and possible.

In closing, it's very clear the province faces significant fiscal challenges, and health care costs are substantial. At the same time, many Ontarians with physical disabilities need the services they need and cannot get them in a timely manner. Many of them are also financially vulnerable and cannot afford to pay out of pocket. They are in

precarious situations that are detrimental to their health and costly to the system. The opportunities—and this is important to emphasize—both in terms of health care outcomes and financial benefits, of increased attendant services for non-seniors with disabilities, is evident.

I would just close with a little sense of what we're dealing with. I talked about people having to rely on their family and people who sometimes can't get the services they need, and what happens there. It's very difficult to live your life from a bed that you can't get out of. It is extremely difficult to live your life knowing that you might have service one day, but you're not entirely sure if you might be able to get services over the next few. I really believe that Ontarians deserve better than that, and I believe that there is an opportunity here to make financial sense and provide better outcomes. This is the way to do it.

Thank you, and I'm happy to take questions.

The Chair (Mr. Kevin Daniel Flynn): That's great. Thank you, Nathan. You've left a little bit of time for questions, anyway: just between one and two minutes. Dipika?

Ms. Dipika Damerla: Thank you so much, Nathan, for coming, for making that very passionate, very eloquent presentation. I applaud you for all your advocacy. I just had two questions—because I only have a minute, I want to ask both of them. Is an attendant similar to a personal support worker?

Mr. Nathan Hauch: In some scopes of services, yes; for what they call activities of daily living, that would be true, but community outreach attendant services have a wider complement. In Champlain, the CCACs will not perform the bowel routines and will not perform some of those more intimate care pieces. Attendants from community support agencies will do that. They have the function of doing that as delegated tasks under legislation. I thank you for your question, because that's one of the education pieces that we're really trying to put out there.

Ms. Dipika Damerla: My other question is: You sort of made a proposal that would cost \$60,000 a year per person.

Mr. Nathan Hauch: Well, \$27,000 a year for someone who lives in their own home; the \$60,000 is for the supportive housing option.

Ms. Dipika Damerla: Supportive housing. Okay. And you would suggest that there are 5,000 people who would use this service, yes?

Mr. Nathan Hauch: Or some variation of it, yes.

Ms. Dipika Damerla: So I did the quick math. I did it on the higher amount; that would be \$300 million, so somewhere between \$150 million to \$300 million is what your suggestion would cost us. Would that be correct?

Mr. Nathan Hauch: I couldn't fully tell you that right now. I'm more than happy to do a breakdown in terms of the scopes of services that would be required. It's fairly difficult for me to provide that right now, on the spot. But you have my contact information; send me an email and I can get those numbers for you.

Ms. Dipika Damerla: Thank you so much.

Mr. Nathan Hauch: Thank you.

The Chair (Mr. Kevin Daniel Flynn): Thank you, and thank you for coming, Nathan.

Mr. Nathan Hauch: Thank you very much, and enjoy your day.

Interruption.

The Chair (Mr. Kevin Daniel Flynn): Good timing.

My friend Mr. Shurman tells me we have a new pope, Cardinal Jorge Mario Bergoglio from Argentina.

Interjections.

The Chair (Mr. Kevin Daniel Flynn): My Jewish friend.

Pope Francis I is his name.

CONCEIVABLE DREAMS

The Chair (Mr. Kevin Daniel Flynn): Okay. Art, are you with us?

Dr. Art Leader: Yes.

The Chair (Mr. Kevin Daniel Flynn): Come on forward, Art. You're the final presentation of the day, from Conceivable Dreams. I will tell you, Art: We've heard from your folks at every stop so far, so people are getting familiar with the presentation.

Dr. Art Leader: Hopefully, it will be different.

1530

The Chair (Mr. Kevin Daniel Flynn): Okay, if it will be different, that would be great. I'm sure there will be some questions if you leave a little bit of time. The questions for the last presentation of the day go to the PCs. Art, you've got 15 minutes; use that any way you would like.

Dr. Art Leader: Thank you very much for listening to me at the end of what must be a very long day for everybody.

I have been involved with infertility medical care since 1981; I was there at the start of the IVF revolution. I understand, as you said, that you've heard from some of my colleagues at Conceivable Dreams. I'd like to add that infertility is a medical condition with a highly effective medical solution called IVF, or in vitro fertilization.

Over the years, advances in the technology have resulted in a tenfold increase in the effectiveness of IVF treatment. Today, IVF is the most effective treatment to help infertile couples realize their dream of having a child. Most developed countries and jurisdictions around the world have responded with policies to improve access to IVF therapy for their population. I say most because, unfortunately, Ontario has not followed the trend, even though it was one of the earliest jurisdictions to fully fund IVF, at the time of the Bill Davis government.

We have not really kept up with the times. Ontario only covers a small part of the cost of IVF treatment, but only for women with blocked tubes, even though infertility can have many causes. In the patients I see, about 80% of the causes are related to the male, not the female. This policy of restricting IVF care in 1993 followed the royal commission recommendation and has actually

reduced accessibility to IVF. The access hasn't been changed in the intervening two decades despite vast improvements in IVF technology.

To give you a parallel, we would never perpetuate an information technology policy from a time when there was only one person in 100 who could use the Internet—and they were in the military—and Google, Facebook, Twitter, LEDs, touch screens and tablets had yet to be invented. But that's the equivalent of what we are doing now with our policy of reproductive medicine in this province.

Pregnancy rates through IVF now very closely approximate those rates among the population that can conceive naturally. Based on my conversations with the Ontario government over the years, the Ministry of Health does accept that IVF is the best available treatment for infertile couples today, but continues not to fund it. The Ontario government seemed to recognize the need to update its policies and improve access to infertility services four years ago when it appointed the Ontario Expert Panel on Infertility and Adoption.

I was proud to serve alongside the now Governor General David Johnston as one of 11 members of the panel. We authored the 2009 report called *Raising Expectations*. Developing this report and its recommendations has been a highlight of my professional career. Working together, we developed a sound approach to public policy that was grounded in science and the province's economic realities.

Now, almost four years after the release of this report, I'm at a loss to understand why the recommendations have been ignored. Our realistic and achievable recommendations for assisted reproduction services and fertility education have seen no progress, while infertility rates continue to grow.

Let me present you with some stark numbers. Over the past 10 years, the rate of infertility in Ontario has increased from 11% to 16%. Without a change in government policy, I would not be surprised to see the rates climb as high as 20% within the next five years, since women are delaying having children well into their thirties.

Because IVF is currently not funded in Ontario, many women and families turn to using cheaper, more risky ways to conceive. These approaches often result in higher multiple birth rates, almost 20% to 30%. This is a major reason why Ontario now has the highest multiple pregnancy rate in this country.

Why is that a bad thing? Multiple pregnancies result in higher health costs for the government and society. Multiples are 17 times more likely to be born premature. Twins are seven times more likely to have cerebral palsy, which is a lifetime cost for not only the individual but society. Premature deliveries result in a higher Caesarean section rate and additional care at birth in neonatal intensive care units and throughout the lives of the children born. As such, Ontario is already paying the cost for not funding IVF services.

In discussing the fiscal implications of funding IVF, it's important to note that a child conceived through funded IVF will provide a fivefold to sevenfold return on the investment to the province over his or her lifetime. That's not even considering the critical social returns to individuals and society, or simply what is right and fair for those burdened by the impact of the medical condition we call infertility.

The desire to control provincial expenses should not prevent the province from providing access to IVF for all Ontarians. Jurisdictions which currently fund IVF have taken different approaches, with funding models ranging from full funding, which we see in Quebec; cost-sharing agreements, which we see in Australia and its states; or rebate programs and tax credits, which we see in Manitoba and which are coming in New Brunswick.

IVF is poised to be a platform issue in the BC election, and other provinces are actively studying options for funding to improve access to their populations.

Implementation of the expert panel's recommendation on fertility education would also be a step in the right direction, and one that would not cost a lot of money. The province can work with health care practitioners to provide information on how Ontarians can protect their fertility, and to ensure that they are aware of fertility risk factors and risk behaviour.

In conclusion, I ask that members of this committee take seriously the significant and rising infertility rates in Ontario, and support the recommendations of the Raising Expectations report. The costs of providing access to IVF are not excessive and, in fact, would repay the investment made many times over to the province.

Some in the ministry seem to dispute that, to which I say, then let's have an open debate. In other words, stop hiding behind numbers that you disagree with and put some numbers on the table. Bring them to this committee or a similar forum and let everyone discuss the real costs and the options, and then pick an alternative and move on it.

The costs of not taking action are already taking a toll on Ontario's finances and its health care resources. Supporting patients who need IVF will improve access, result in better health outcomes for mom and baby, and deliver real savings to the health care system.

Concrete commitments in the 2013 budget on funding IVF would be welcomed by not only potential parents, but also their parents, who are potential grandparents, across the province. I urge all three parties to come together in support of this issue. Thank you.

The Chair (Mr. Kevin Daniel Flynn): That's great, Dr. Leader, thank you. You've left quite a bit of time for questions, about seven minutes; this goes to the Conservatives. Any?

Mrs. Jane McKenna: Thank you so much. Like we'd already heard—we have heard this twice. I have a couple of questions, though, that I jotted down from the last time that I'd like to ask you.

I am a multiple birth because I'm a twin, so I always look at people who have them nowadays; it wasn't so

easy 53 years ago when my mom had—she didn't even know she was having twins. Anyway, trivia.

What is the cost of IVF funding to Quebec? Do you know that?

Dr. Art Leader: It was \$7,500 a cycle, and they've reduced it now to about \$3,800 a cycle.

Mrs. Jane McKenna: And what is the expected cost savings for Quebec, Manitoba and British Columbia?

Dr. Art Leader: For Quebec, it's a quarter of a billion dollars over a five-year period, so about \$50 million a year, is what's been published. Manitoba has a 40% tax credit; I haven't seen their calculations. BC: There is interest particularly among the NDP in BC, and they're looking at a \$78-million saving per year—over five years; sorry.

Mrs. Jane McKenna: Okay, so saying that, when would these savings be realized? So you're saying anywhere from 10 to 15 years?

Dr. Art Leader: No, there are immediate savings. For example, the cost of a singleton pregnancy is, say, \$3,500; the cost of a twin pregnancy is threefold; and the cost of a triplet pregnancy—just the hospitalization, the delivery costs, because they all have to be delivered by Caesarean section, and then the neonatal—so, a quarter of all neonatal intensive care beds in Toronto are occupied by IVF pregnancies, which account for 4% of all the pregnancies in the city. So 4% of the pregnancies are taking up 25% of the neonatal intensive care resources.

1540

What they've seen in Quebec is, where they were at about 141% occupancy in the neonatal intensive care units prior to funding IVF, they now are operating below capacity. It's had a huge impact at that level. So there is a savings. I understand, because I've talked with ministry people, that they don't look at the 10 years because government mandates aren't 10 years; they're four or five years—but there is an immediate savings and then there's the long-term savings.

The immediate savings will balance off the cost, provided that you've set a limit as to how much you're going to reimburse for the treatment. For example, there's a privately funded facility here in Ottawa. For \$20,000, we offer three cycles of IVF, freezing any number of embryos and doing any number of frozen embryo transfers over a four-year period. You could fix the cost of everything at \$20,000 per couple, for example, and then mandate that they would have elective single-embryo transfer. There's a way to provide the service and to control the service—which is what government needs to do—and yet to reduce the burden as well as the cost.

Mrs. Jane McKenna: So there are studies in Ontario, if you're saying that that's right there for the \$20,000.

Dr. Art Leader: Yes.

Mrs. Jane McKenna: Okay. And what is the average cost per cycle?

Dr. Art Leader: Right now, the average cost is \$6,000 per cycle.

Mrs. Jane McKenna: Okay. And how many cycles of IVF, on average, would a woman have to undergo?

Dr. Art Leader: It really depends on the age of women.

The problem is twofold: Women are getting married later. In your parents' day and in my parents' day, people married much younger. Fertility is obviously higher when you're younger. If you're getting married at 35 and coming to IVF at 37, the pregnancy rate is about 47%. You'd need about three cycles. If you're coming to IVF at the age of 30, the pregnancy rate is 60%. You'd need one or two cycles to achieve a singleton live birth.

Mrs. Jane McKenna: Do you know the total number of IVF patients in Ontario right now?

Dr. Art Leader: From the Canada-wide registry, it's about 7,000.

Mrs. Jane McKenna: And what is the actual cost in health care for multiples needing NICU treatment?

Dr. Art Leader: It depends whether they're singleton, twins or triplets. I can refer to the panel, but the neonatal intensive care unit—these were the costs back in 2009. It would be \$65,000 per pre-term infant.

Mrs. Jane McKenna: Okay. Thank you very much. That's all the questions I have.

The Chair (Mr. Kevin Daniel Flynn): Great. Thank you, Dr. Leader. Thank you very much for being here today. Your presentation was a bit different than the others, in a good way.

Mrs. Jane McKenna: Yes.

Dr. Art Leader: Thank you for the opportunity.

The Chair (Mr. Kevin Daniel Flynn): They've all been good presentations.

COMMITTEE BUSINESS

The Chair (Mr. Kevin Daniel Flynn): Just to the members now, a little bit of committee business before we adjourn. Some of you have been giving instructions to the research staff as we've gone along. We're not going to meet now for at least a week, anyway, so it would be great for them to make maximum use of that time. Is there anything that the other members want to talk to research about? Let's go with Soo and then Michael.

Ms. Susan Viets: May I ask a question?

The Chair (Mr. Kevin Daniel Flynn): Sure.

Ms. Susan Viets: I just wanted to clarify. In the past, what we've done with the research report is—well, we're providing you with two things. We're providing you with an interim summary, which is a summary of what we've heard over these three days, and then we're providing you with a draft report. In the past, what we've done with the draft report is, it's just been an overview of the issues, and then you have dropped the recommendations in. I just wanted to confirm that we should continue with that practice.

The Chair (Mr. Kevin Daniel Flynn): Makes sense.

Interjection: That's fine.

The Chair (Mr. Kevin Daniel Flynn): Soo and then Michael.

Ms. Soo Wong: Just with regard to yesterday's presentation, I didn't get a chance to receive consensus from

the committee. First, yesterday we heard about this mining tax rate. I'd like to have more information about this because there was a suggestion made by the United Steelworkers on that particular tax rate. I want to know more about it in terms of different provinces, other states, as well as anything you can find—how do we compare, and some historical context. I think that would be very helpful. I don't know if we have consensus on that piece.

The presentation today about this crowd-funding, microlending exchange: I think it's pretty entrepreneurial for young people. I'd like to have more information on that. I see nodding from my colleagues here.

I also want to hear more about the Higher Education Quality Council of Ontario, because one group asked to eliminate that and that money be transferred over. I don't know what this council is, what their mandate is. I want to know more about that.

I'm also interested to know—there was one deputant who spoke about expanding the AG's role to include municipalities. He made reference to BC. Again, in terms of current legislation for the AG's role—if we do consider that, in other provinces beside BC—what does that mean?

We had two speakers today talking about museum funding. Can we have some comparison about what the feds are paying for museums versus the province? I didn't hear anything about what the feds are doing. We have this group called Diefenbunker: Canada's Cold War Museum. I thought it was a national museum. Why are they asking for provincial dollars? So I wanted to see some comparison there.

The last piece, Mr. Chair: After three hearings, we keep hearing about IVF. I think, Jane, you asked a very poignant question about the health care costs. So can we have a chart of the costs with respect to, like you said, the NICU piece, but I'm also looking at more than just the NICU. I'm looking at costs to the education system with students with special needs. I'm looking at long-term costs for the IVF program, because no one's talking about this. If we're going to fund this kind of initiative, we've got to think about education—elementary, secondary and post-secondary—because there are concerns with premature babies. Cindy and I both come from health care. These are not just one-time costs; these are lifelong costs for the system. Do we have any data? If not, let's hear them, because now we have three consecutive presentations from Conceivable Dreams requesting that the province will expand funding for IVF. I'm not saying no, but I want to look at the long-term costs for the system. Those are my suggestions.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Soo.

Michael, you had some comments?

Mr. Michael Prue: It wasn't to the researcher, but I did have comments. The last time the subcommittee met, we talked about the possibility of meeting on the 3rd and 4th of April to do the report. However, it was also said at that time—we felt constrained that we had to do it then if the budget was coming down on the 18th. I have not

heard a word, and we're hoping that some of the Liberal members might be able to tell us whether it's the 18th, because if it's delayed beyond that, I certainly do not want to meet on the 3rd and 4th because that takes our next constituency week off us as well.

And so, if the budget is coming down a week or two weeks later than the 18th, then we can push ours back or forward, and not meet then. I think we need to know that soon.

The Chair (Mr. Kevin Daniel Flynn): Okay. I can tell you honestly, Michael, that the Liberal members do not know when the budget is coming down yet.

Mr. Michael Prue: I know, but the Liberal members could, much more easily than I, go and ask the minister or somebody in the ministry.

The Chair (Mr. Kevin Daniel Flynn): Well, that's being done, and we will continue to do that, because nobody—

Mr. Michael Prue: Okay, please. That's what I'm trying to find out.

The Chair (Mr. Kevin Daniel Flynn): —wants to give up the constituency week.

Mr. Michael Prue: And I know my colleagues from the Conservative Party want to know this as well, and they probably are no more anxious than I am to go on the—

Mr. Peter Shurman: I'm away three days out of the constituency week; I don't need to take up two more days.

Mr. Michael Prue: Well, yes; exactly.

Mr. Peter Shurman: I'm there. We asked that last time for that reason. I know you guys are constrained, but tell them, "Look, there are some issues here."

The Chair (Mr. Kevin Daniel Flynn): Oh, we have. Yes, believe you me, we have.

Dipika, did you have something for research?

Ms. Dipika Damerla: Yes. I just had two. One is, where possible—you know, sometimes people have actually told us how much their programs or their suggestions are going to cost; at other times we might have, so I don't want you to reinvent the wheel, where you're actually sitting down—because most of them didn't give a dollar figure. But if you happen to have that information available, it would be handy to have that next to the summary.

The second one is, I would like to get—and I'm going to ask the Ministry of Energy as well, but if research can do it, even better—a comparison of industrial electricity rates in Ontario, Quebec, Manitoba, New York state and New Jersey, keeping in mind that Ontario has time of use, so that has to be factored in. So we can't be comparing our highest with theirs, because they may not have time of use. That would be very helpful.

The Chair (Mr. Kevin Daniel Flynn): Okay.

Mr. Phil McNeely: Mr. Chair, thank you very much for being in Ottawa. I joined you for part of the day, and I hope you've enjoyed Ottawa. To all of you, thank you.

Ms. Dipika Damerla: Yes, you did a great job. A big round for the Chair who kept us on time.

Applause.

The Chair (Mr. Kevin Daniel Flynn): A big round for Phil; he showed up with a root canal.

Ms. Dipika Damerla: I know; that's true.

Mr. Phil McNeely: It's a pain, just like this budget work.

The Chair (Mr. Kevin Daniel Flynn): Okay. We're adjourned until Thursday, March 21, 2013, in Toronto. Agendas will be sent to the members as soon as the scheduling has been done.

The bus leaves for the airport as soon as everybody gets downstairs.

The committee adjourned at 1549.

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STANDING COMMITTEE ON FINANCE AND ECONOMIC AFFAIRS

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Vice-Chair / Vice-Présidente

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Mr. Peter Shurman (Thornhill PC)

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Ms. Cindy Forster (Welland ND)

Ms. Jane McKenna (Burlington PC)

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Also taking part / Autres participants et participantes

Mr. Yasir Naqvi (Ottawa Centre / Ottawa-Centre L)

Clerk / Greffier

Mr. Katch Koch

Staff / Personnel

Ms. Susan Viets, research officer,
Legislative Research Service

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**Legislative Assembly
of Ontario**

Second Session, 40th Parliament

**Assemblée législative
de l'Ontario**

Deuxième session, 40^e législature

**Official Report
of Debates
(Hansard)**

Thursday 21 March 2013

**Journal
des débats
(Hansard)**

Jeudi 21 mars 2013

**Standing Committee on
Finance and Economic Affairs**

Pre-budget consultations

**Comité permanent des finances
et des affaires économiques**

Consultations prébudgétaires

Chair: Kevin Daniel Flynn
Clerk: Katch Koch

Président : Kevin Daniel Flynn
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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRSCOMITÉ PERMANENT DES FINANCES
ET DES AFFAIRES ÉCONOMIQUES

Thursday 21 March 2013

Jeudi 21 mars 2013

The committee met at 0904 in committee room 1.

PRE-BUDGET CONSULTATIONS

Failure of sound system.

The Chair (Mr. Kevin Daniel Flynn): —that open spot to that organization. Would that suffice?

Mr. Michael Prue: Well, if it's not in order, then I guess I can't do it. So we'll see whether there even is a cancellation.

The Chair (Mr. Kevin Daniel Flynn): I understand you're trying to help a group here, and I think we all do. If that opens up, we will see if we can contact them and place them in any opening that appears during the next two days.

CANADIAN TAXPAYERS FEDERATION

The Chair (Mr. Kevin Daniel Flynn): Okay, with the committee business out of the way, we'll ask Candice Malcolm if she would come to the desk here. Candice, make yourself comfortable. The mike will be controlled for you. If the red light's on, that means that you're on. You get 15 minutes to make your presentation; you use that any way you see fit, Candice. If you leave some time at the end, any time remaining in that 15 minutes will be used for questions. The questions this time around will be coming from the Conservative Party. It's all yours.

Ms. Candice Malcolm: Good morning. Thank you to the committee and to the Chair for inviting me to speak today. My name is Candice Malcolm and I am the Ontario director of the Canadian Taxpayers Federation.

My presentation this morning will consist of four parts. I will begin by providing some information about my organization, followed with some facts and comments about the current fiscal and economic outlook of this province. I will then provide the Canadian Taxpayers Federation's budget recommendations to the committee and conclude with a few remarks about the importance of this budget. I will happily answer any questions you should have following my presentation.

My aim today is to communicate one key message to you: Ontario is on a path to fiscal destruction. Spending desperately needs to be reined in. The top priority of this government must be to stop doing what you are doing. You, the elected representatives of Ontario, have gotten us into this mess and it is now your responsibility to get us back to a balanced budget.

By way of background, the Canadian Taxpayers Federation, also known as the CTF, was founded in 1990 and has grown to be the largest and most effective citizen advocacy group in Canada, dedicated to lower taxes, less waste and accountable government. We are a non-partisan, non-profit organization that does not receive any assistance from any level of government. We receive no financial or monetary funding from the government, nor do we seek special charity status to issue tax receipts. We are funded entirely by voluntary donations, not through forced union dues or involuntary taxes. We have over 84,000 supporters across Canada who donate entirely through free will because they support our cause of lower taxes, less waste, and accountable government. We have offices and media spokespeople in every region of Canada save Quebec, including a strong advocacy presence in Ottawa.

0910

My job as the Ontario director is to represent the interests of our supporters in Ontario and advocate that the provincial and municipal governments are held responsible for the way that tax dollars are spent. As you are fully aware, this government is in a very unstable fiscal position. I cannot stress this heavily enough.

Without using too much rhetoric about a looming debt crisis, let me simply communicate the facts. According to the current outlook from the most recent Ontario finances quarterly update, put out on December 31, 2012, by the Ministry of Finance, this government will run a deficit of \$11.9 billion this year.

By the end of the fiscal year, Ontario will be buried under \$255 billion of debt. That debt, when broken down per capita, equates to \$18,889 for every man, woman and child in Ontario. That is a higher share than what we owe federally for debt.

In fact, servicing the debt was the third-largest expenditure in this province. Let me repeat that: Paying interest on the debt is the third-biggest thing that this government spends money on, less than only health care and education. We spend more money on loan interest than we do on public transit. More money is spent servicing the debt than is spent on all social services in Ontario. Instead of building schools or offering a tax cut or balancing the budget, this government spent \$10.4 billion to finance the ghosts of governments past.

The situation is bad; there's no way to sugar-coat it. Therefore, I have three recommendations for this com-

match that will slow down and, hopefully, reverse this march towards bankruptcy.

Last year, Ontario's government took a very important step towards addressing this province's fiscal situation. TD Bank's former chief economist Don Drummond was commissioned to issue a report on Ontario's debt and provide a road map to restore a balanced budget in Ontario. It seems that his proposal has fallen on deaf ears.

My first recommendation, therefore, for this committee is very simple. You hired Don Drummond. He issued a great report. You should stop ignoring it. You should listen to his advice and start implementing his major recommendations to stop the growth of spending and achieve a balanced budget. His plan consists of some tough but necessary medicine.

Of particular interest is the recommendation to eliminate the Ontario Clean Energy Benefit, a 10% discount on electricity bills for households, small businesses and farms. This subsidy cost taxpayers \$1.07 billion this year and was nothing more than a handout to cover up the skyrocketing renewable energy prices caused by the Green Energy Act and its feed-in tariff.

The Drummond report also calls for an end to raises for civil servants unless they can find a way to do their job more efficiently and more cheaply. A bureaucrat working in the civil service should be compensated according to their performance. Finding ways to cut waste and eliminate redundancies should be rewarded. Any raise should only come as a result of finding savings in the department.

The final Drummond recommendation I would like to highlight is reforms to public pensions. While the vast majority of Ontario workers have no pension at all, government employees enjoy gold-plated defined-benefit plans being topped up by the taxpayers. Drummond recommends ending these lump-sum bonuses paid upon retirement and calls for reductions in future benefits.

This is a good start. The outdated government pension system needs to be updated to reflect the world we live in now. Life expectancy has risen to 85, and the share of the population over the age of 65 is shifting as baby boomers retire. The current system is simply not affordable, and without reforms, it will collapse. Remember, the Drummond report told us that if these reforms are not made and the status quo is upheld, the deficit will balloon to \$30 billion by 2017-18.

This segues to my next recommendation. Premier Kathleen Wynne committed to the CTF, my organization, and then repeated in the throne speech that she will eliminate the deficit by 2017-18. Then, she will restrict spending increases to 1% below GDP growth until Ontario's debt-to-GDP ratio returns to 27%. It currently sits at 37.8%. I'm not sure why the government would wait until 2018 to implement a plan. Why not begin restricting spending increases to 1% below GDP growth starting now with this budget?

That is the second of my recommendations: Rein in spending and commit to restricting growth across the board in every department to 1% below GDP growth.

Premier Wynne has correctly diagnosed a problem and offered a great solution. Why delay giving a patient much-needed medicine? Every day that we continue down a path is another day wasted. Yes, cutting bureaucracy is hard. Premier Wynne used to be a school board trustee. She should follow the advice that parents give their children when it comes to doing homework: Delaying what you need to do won't make it easier; it just makes it more difficult.

My final recommendation to this committee is to implement a legislated debt-reduction plan and repayment schedule. Today's debt is tomorrow's taxes. Let me repeat: Our debt today will turn into taxes tomorrow. Everybody knows that when you run up your credit card bill, you eventually have to pay it back, and with interest. You wouldn't go on a spending spree and only make the minimum payment for years and years and then pass that debt on to your children, but that is exactly what this government is doing by not addressing the debt and not paying down the principal.

What you're doing with today's deficit is passing the buck on reckless spending. So I say, and not just on behalf of taxpayers but on behalf of all young Ontario citizens: Please stop. Stop destroying our economic future. It's time to legislate a plan. This government has shown that it is necessary to legislate because, without a law forcing fiscal responsibility, the government has shown it is not responsible with Ontario's finances.

Debt-reduction legislation has worked in provinces like Alberta, where total spending fell by almost 22% over three years. When Ralph Klein became Premier in 1993, Alberta had accumulated the largest per capita debt in the country. Yet, a decade later, Alberta was completely debt-free.

Saskatchewan had come close to defaulting on its debt. Program spending was cut by 10% from its peak. That province now enjoys balanced budgets and will likely become debt-free this year.

There are several other examples of tools like balanced budgets and debt-reduction legislation that have been used in places like Manitoba, New Brunswick and with the federal government in the 1990s that have successfully restored government finances.

Ontario is faced with a mountain of debt, thanks in large part to a 2008 financial crisis and resulting economic recession that was largely outside of our control. However, the way this government reacted in the wake of that recession is why we are now facing this looming debt crisis.

Faced with the problem, the government tried to spend its way out of a recession. The result was predictable, and it was predicted by economists and academics across the province and across the world. You cannot dig your way out of a ditch, you cannot eat your way into being thinner, and you cannot spend your way out of a recession.

Running billion-dollar deficits and using public debt to finance growth did not turn our economy around and did not ease the effects of a recession; it merely left our

province with hundreds of billions of dollars in debt. Temporary jobs and massive debt did not lead to growth in the economy. It's time to recognize that that didn't work. It's time to change course and implement a new plan and a new strategy to balance the books in Ontario.

0920

Again, my three recommendations to this committee are as follows:

(1) Follow through with the Drummond report and implement his major recommendations to rein in spending and balance the budget;

(2) Follow through on Premier Wynne's commitment to cap the growth of spending to 1% below GDP growth, and do it now; and

(3) Bring in a legislated debt-reduction schedule to chip away at the \$255-billion provincial debt.

I would like to close with a few remarks about the budget process. Throughout these consultations you will hear from dozens of witnesses, including many special interest groups and stakeholders. Over the next two days, groups reliant on government funding will come to you and they will ask you for more money. They will say that their group is the most in need. You'll hear about strained resources and understaffed offices.

When they do ask you for more money, I say on behalf of taxpayers in this province, please don't be too generous with our money. Say no to interest groups, no to discretionary funding, and no to new projects, to new offices, to new handouts. We just can't afford it.

I think the government can learn from the hard-working families and taxpayers of Ontario: families who struggle to pay their bills to stay out of debt; folks who balance their chequebooks every month, who say no to frivolous expenditures, who are careful with every dollar they spend and live within their means. Hard-working families in Ontario exercise fiscal prudence every day, and they expect the same from their government.

If you do nothing to fix the situation, as Mr. Drummond's report points out, Ontario will face a \$30-billion deficit in 2017 and not the balanced budget that Premier Wynne has promised. In fact, with an \$11.9-billion deficit, this government adds \$32.5 million to the debt per day. That works out to about \$1.35 million per hour or \$22,625 per minute. The government adds a down payment to a starter home to the debt every minute, and \$377 per second to the debt.

I may not have our debt clock with us today, but I've been speaking for about 13 minutes, so over the course of this presentation the government has added \$294,125 to the debt. This needs to stop.

Thank you very much, and I'm happy to take your questions.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Candice. You've left about a minute, so it's going to have to be a very, very short question. Who's going first? Michael or Julia?

Mr. Michael Harris: Yeah, sure. Thank you for that presentation—well put together, of course. I'll encourage you to stick around this afternoon as one of our caucus

members tables the Living Within Our Means Act, which addresses some of those very things you mentioned.

You talked about a legislative route on pensions. I wanted to get your thoughts or comments on wages here in Ontario. One of our members tabled a legislated wage freeze. I wonder if we can get your comments on wages and a legislated wage freeze, as wages represent a significant cost to the government annually.

The Chair (Mr. Kevin Daniel Flynn): It will have to be a very short answer, Candice.

Ms. Candice Malcolm: No, absolutely, I think that when a recession hits, the private sector and the free market react, and wages in that area go down. Government has to match that and follow that. It's not fair for taxpayers to be subsidizing government workers to take more money than they do, especially given the pensions and the job security that they receive. So there's a big imbalance. The gap we're seeing in this province isn't between rich and poor; it's between government workers and non-government workers.

Mr. Michael Harris: Thank you.

The Chair (Mr. Kevin Daniel Flynn): Good time management. Thank you.

SPINAL CORD INJURY ONTARIO

The Chair (Mr. Kevin Daniel Flynn): Our next delegation is Peter Athanasopoulos. Peter, if you'd make—

Mr. Peter Athanasopoulos: I know it's tough to pronounce.

The Chair (Mr. Kevin Daniel Flynn): It is; it's a long one. I think I left something out in there.

Mr. Peter Athanasopoulos: Athanasopoulos.

The Chair (Mr. Kevin Daniel Flynn): Athanasopoulos. Thank you, Peter. Appreciate that. If you'd make yourself comfortable. You heard the rules when I explained them to Candice. Fifteen minutes—you use that any way you see fit. We've distributed your information to each of the members already. If you leave any time at the end for questions, it will go to the NDP this time.

Mr. Peter Athanasopoulos: Excellent.

The Chair (Mr. Kevin Daniel Flynn): It's all yours.

Mr. Peter Athanasopoulos: Thank you, everyone. My name is Peter Athanasopoulos, and I'm here representing Spinal Cord Injury Ontario.

Spinal Cord Injury Ontario is a not-for-profit organization that supports people with spinal cord injury and other mobility impairments to achieve independence, self-reliance and full community participation. I'm also here representing the provincial attendant services advisory committee, which is a committee comprised of the 10 largest attendant service agencies in Ontario committed to looking at reducing the wait-lists of attendant services in Ontario.

The purpose of my presentation today is to acknowledge the growing wait-lists of attendant services in Ontario. Presently, there are approximately 5,000 people

in Ontario waiting in hospital ALC, long-term-care facilities, nursing homes and other inappropriate, costly settings because attendant services are not available.

I've had my spinal cord injury now for about 17 years, and I've been receiving attendant services at home, fortunately, for the last 17 years. Attendant services, for me, helps me get up out of bed in the morning, helps me get dressed, helps me go to the washroom and helps me get showered. Without the use of attendant services, or without that service available, I can't imagine what my life would be. Is it necessary for me to live in a nursing home at the age that I'm living, or live in a long-term-care facility, or even a hospital, for that matter?

All these settings that I'm describing to you are way more expensive than investing in attendant services. There are 5,000 people in Ontario currently in this predicament. We need to look at ways to stop this from happening and look at more cost-effective ways in making this happen. Attendant services is the answer in supporting people with disabilities in living at home successfully in the community.

In recent years, the government of Ontario has recognized the value of the community-based health sector with initiatives such as Aging in Place, as administered by the CCACs, and expanded supports to senior populations. But a significant barrier remains: Non-senior populations with long-term needs face substantial challenges in accessing attendant services. This is not to suggest that we do not support efforts targeted towards seniors, but there is another important cohort that is not receiving the support it needs. Why are people having to wait until they're 65 to get the services that they require to be independent?

In September 2012, a government report on attendant services found that the average wait-list of outreach attendant services ranges from three months to seven years. For direct funding, which is another model of attendant services, it ranges from 2.25 years to seven years, and for assisted living or supportive housing, the wait-list can be up to 10 years. We cannot afford to continue ignoring this population.

A recent study completed by the University of Toronto showed that the largest barrier to supporting people with disabilities to achieve and maintain gainful employment is attendant services. If people can't get up in the morning, they can't go to work, they can't go to school, they can't support their families and they cannot contribute to the economy and their communities.

My recommendation today is to strongly consider eliminating the wait-list. The Ontario government acknowledged a 5% redistribution of health dollars from hospitals to the community sector. Attendant services needs to be on that list of fund distribution. In your packages is a breakdown of costs to eliminate the wait-list.

Please contact me; let me know what needs to be done to make this happen. Let's do the right thing. Your packages will show you that investing in attendant services will save the health budget in the long run. Thank you very much.

The Chair (Mr. Kevin Daniel Flynn): Great. Thank you very much, Peter; you've left a lot of time for questions.

Michael? About 10 minutes.

Mr. Michael Prue: Efaristo poly. Thank you very much.

Mr. Peter Athanasopoulos: Efaristo.

Mr. Michael Prue: I just wanted to be clear on the record: You are seeking an additional, as it appears here, \$45.6 million, but that money, you think, should come from the existing budget and transfer from hospital services to the needs that you have expressed.

Mr. Peter Athanasopoulos: In the community, absolutely.

Mr. Michael Prue: In the community.

Mr. Peter Athanasopoulos: And that has been already acknowledged, that the government has already made an investment to look at the hospital budget and invest more in the community. That has already happened; we just want to be on that list.

Mr. Michael Prue: Okay. I think this makes a lot of sense, what you're saying. Will this save the government money? You heard the previous deputant saying we shouldn't be spending more money, but sometimes people come here with ideas that are actually going to save money. If people can stay in their own homes, as an example, that will save a lot of money for care in institutions and hospitals and other places. Will the expenditure of \$45.6 million actually save money?

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Mr. Peter Athanasopoulos: Absolutely it will, because at the current moment, because the services are not available, we are spending \$3,000 a day to have a person in hospital. We're spending about \$1,700 a day to have people living in long-term care or in nursing homes. If we redistribute that population to living in the places where they want to live, at a lower cost, that will save money to the government in the long run.

Mr. Michael Prue: Your own case, sir: You obviously are a very intelligent, capable man who relies on some attendant care in order to maintain your job.

Mr. Peter Athanasopoulos: That's right.

Mr. Michael Prue: If you didn't have that, would you be able to maintain your job?

Mr. Peter Athanasopoulos: No. I would probably be on social assistance, and taxpayers would be paying for me to not live but to just exist.

Ms. Catherine Fife: Thanks very much, Peter, for your presentation. I think that you make a strong case, actually, for investment from an early intervention/prevention piece.

The Independent Living Centre, actually, in Kitchener-Waterloo has talked to me about the attendants, and the workload and the caseload of attendants in the field. Can you comment at all about that? I know that there has been a reduction in hours, and I know wages have been frozen for a number of years, so there's turnover. Have you monitored that at all over the years? It's not in your presentation here.

Mr. Peter Athanasopoulos: No, and I'll get back to you with more information about that, because I don't have a lot of information about that. But, yes, there has been a challenge, mainly around wages. A lot of CCAC services, for example, contract nursing services for similar services that PSWs are doing, whereas in the independent living philosophy in attendant services, the wages of attendants are a lot lower, which has possibly created some of that challenge in maintaining PSWs in the sector.

Ms. Catherine Fife: Okay. In your presentation as well—I know that those who require assistance also have to have the appropriate accommodation, accessibility accommodation. There's nothing in here about affordable housing. In order to actually have attendants' service, they wait-list. To eliminate the wait-list, you would have to have an according investment in affordable housing as well, would you not say?

Mr. Peter Athanasopoulos: I absolutely agree with you, and supportive housing does support that. It is a more costly way of administering attendant services. However, we need, as a province, to really look at a fully inclusive environment for everyone, not only people with disabilities. We are beginning to create strong legislation with the AODA, and our government is committed to the AODA. I'm really hoping that they will look at those standards and move forward with a plan to create more affordable and accessible housing—

Ms. Catherine Fife: Well, thank you very much for your presentation this morning.

Mr. Peter Athanasopoulos: Thank you.

The Chair (Mr. Kevin Daniel Flynn): Great. Thank you, Peter.

CO-OPERATIVE HOUSING FEDERATION OF CANADA, ONTARIO REGION

The Chair (Mr. Kevin Daniel Flynn): Coming up next is Harvey Cooper from the Ontario region of the Co-operative Housing Federation of Canada. Harvey, if you'd come forward and maybe introduce your colleague. Get yourselves comfortable.

Mr. Harvey Cooper: We have our vice-president of the Ontario region of the Co-operative Housing Federation of Canada here this morning: Nicole Waldron, from wonderful Atahualpa co-op in Scarborough.

The Chair (Mr. Kevin Daniel Flynn): Welcome, Nicole.

Mr. Harvey Cooper: Nicole will give our presentation, and I'll be pleased to answer any questions.

The Chair (Mr. Kevin Daniel Flynn): Okay. Let me tell you the rules a little bit. You've got 15 minutes. You use that any way you like. If there's any time left over at the end, it will go to the Liberal Party this time for questioning. I'll let you know when there's about two minutes left, if you reach that. Other than that, it's all yours. Welcome.

Ms. Nicole Waldron: Thank you. Good morning. As mentioned, I'm Nicole Waldron, vice-president of the

Ontario council of the Co-operative Housing Federation of Canada. We represent 555 non-profit housing co-operatives, home to some 125,000 people.

I'm very pleased to speak to the committee this morning, giving you our suggestions for the 2013 budget. Our manager, as you know, Harvey Cooper, is with me this morning and will be happy to take your questions.

Ontario is facing a growing shortage of affordable housing, as attested by the some 156,000 households on municipal waiting lists. Investment in affordable housing would play a critical role in addressing this problem and would create valuable long-term public assets. What's more, construction of affordable housing would provide significant and immediate economic stimulus, creating jobs and producing a major economic multiplier effect.

Recognizing that we are in a period of economic uncertainty and that the government is committed to balancing the budget by 2017-18, we want to suggest six low-cost or even no-cost initiatives that the government should take and all parties should support to create new affordable housing and ensure that the existing stock operates efficiently and is preserved.

(1) Pass Bill 14, a cost-efficient tenure dispute resolution system for housing co-ops.

Bill 14, the Non-profit Housing Co-operatives Statute Law Amendment Act, tabled in February, is the third legislative attempt in the last three years to reform the tenure dispute system for Ontario non-profit housing co-ops.

Since 2004, it has been a top priority for co-ops to move tenure disputes out of expensive courts into a tribunal system. Co-ops are the only form of rental housing still using the courts for eviction applications. In 1997, all other rental housing evictions were moved from the courts to the tribunal system.

As co-op tenure disputes have become more and more of a legal anomaly in the court system, the costs associated with preparing and presenting cases have increased exponentially. Using the courts, the cost of even a simple co-op eviction for arrears is typically at least \$5,000 more than for a comparable non-profit housing provider, and takes many months longer. Some cases have run up costs of tens of thousands of dollars; for instance, in my very own co-op. It has been estimated that Ontario housing co-ops would have saved \$1 million annually by moving cases to the LTB.

This would result in significant and permanent year-over-year savings for the province as court time is freed up significantly. We know that all three parties at Queen's Park agree that this reform represents good public policy. We urge a quick passage of Bill 14 to deliver the social and financial benefits that will follow.

(2) Press Ottawa to recommit expiring federal assistance to the affordable housing program.

There is a critical issue looming regarding Ottawa's long-term financial support for federal-program housing providers. Today, nearly 200,000 vulnerable Canadian households, almost half living in Ontario, depend on federal rent-geared-to-income housing assistance to pay

their rent. Of these households at risk, just over 4,000 represent Ontario co-op families.

Federal assistance is delivered through operating agreements with co-ops and other housing providers developed under federal housing programs in the 1970s and 1980s. When these agreements end, so does the RGI subsidy. Currently, there is no commitment from the federal government to extend RGI assistance, and these agreements are soon expiring over the coming years.

Seniors, single-parent households, people with disabilities, aboriginal people and other low-income families are affected.

The federal government has been largely silent on this issue. There are billions of federal dollars that will become available over the next quarter century as these operating agreements expire. Ontario has a clear interest in ensuring that existing affordable housing continues to be available. We encourage Ontario to negotiate with Ottawa for the reinvestment of expiring federal assistance in a long-term, cost-shared plan for affordable housing that includes extending rent supplement agreements.

(3) Enact inclusionary zoning legislation.

The province can mandate a municipal zoning approval process that requires developers to make a percentage of housing units in new developments available at below-market rents. In return, the developer would receive a density bonus, allowing more units than would ordinarily be permitted under zoning restrictions. The below-market housing created would be affordable to many low- and modest-income households who cannot afford the steep rents charged in many recent condominium developments.

While inclusionary housing policies are set by local governments, it is up to the province to ensure that these municipal measures can be enforced and are not subject to endless challenges at the Ontario Municipal Board. A straightforward provincial statute would give municipalities the authority to establish inclusionary zoning practices and would accomplish this goal. MPP Cheri DiNovo's previous private member's bill that we mentioned in our brief would achieve this result. The government should give serious consideration to enacting such legislation. Inclusionary zoning has proven an effective tool in the United States, where it has been used in a number of states and municipalities.

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(4) Make government lands available for affordable housing.

Ontario should follow through on earlier commitments to facilitate the development of affordable housing on surplus provincial lands. A major part of the capital cost for affordable housing would be removed if the land were available without charge. This would reduce the capital grant required from government and bring down the required economic rents. It would also lower the subsidy required to bridge the gap between economic rent and a rent-geared-to-income rent level.

The province should follow through on this long-delayed initiative that would help create many more

affordable homes without incurring significant government expenditures.

(5) Preserve the existing affordable housing stock.

The long-term viability of much of Ontario's social housing stock is at risk, as economist Don Drummond noted in his 2012 report on reform of Ontario's public services. This is a serious concern.

Co-op and non-profit housing providers need access to new mortgage financing to pay for capital repairs to their aging buildings. One significant step Ontario could take, with little cost to the provincial treasury, would be to expedite a program through Infrastructure Ontario to allow providers to leverage the equity in their housing to borrow the money they need, at reduced IO rates, and extend their mortgages so that their debt servicing costs do not increase.

(6) Build more co-op housing. Sorry, you've got build more affordable housing.

For many years, CHF Canada has raised concerns with the province about the barriers to the development of co-ops and other community-based non-profits under the federal-provincial affordable housing program and its successor, the Investment in Affordable Housing program. Historically, almost a quarter of social housing developed in Ontario was co-op housing. Under the AHP and IAH that share has dropped to less than 4%. We don't believe that this is the policy intent of the Ontario government. In the recent debate on Bill 14, MPPs from all three parties spoke about the benefits of the co-op housing model, that it's cost-effective and builds healthy communities, and said that the government needs to find ways to facilitate development of more co-ops. MPP Steve Clark expressed the views shared by many MPPs when he mentioned the need "to expand co-ops, to make sure that this unique gem that we have in the province can be increased...."

We urge the government to examine the barriers that have blocked the development of co-ops under recent programs and take steps to address them.

We also believe that the ministries of housing and infrastructure should work closely together to develop a strategy to use public-private partnerships to lever the development of more affordable housing. Infrastructure Minister Glen Murray pointed in this direction during the debate on Bill 14 when he noted that, "We have a lot of abilities to create ... incentives to harvest some affordable housing through this amazing condo boom going on."

The co-operative housing sector is anxious to work with MPPs of all parties to follow through on these practical suggestions and to partner with the government to find other creative ways to ensure that every Ontarian has a decent, affordable place to call home because, as you know, housing is a right and not a privilege.

I want to thank the committee members for the opportunity to address you this morning. As mentioned, Harvey Cooper will be willing to answer any questions you have.

Mr. Harvey Cooper: Thanks, Nicole.

The Chair (Mr. Kevin Daniel Flynn): You got the easy job, Harvey. Okay, we've got about five minutes. First Soo; then Dipika.

Ms. Soo Wong: Thank you very much. Good morning. Thank you for coming to speak today. I just have two quick questions on your handout here to us.

Under number 3, "Enact inclusionary zoning legislation," you make reference to a number of states and municipalities in the US that had this type of legislation. Can you share with us—

Mr. Harvey Cooper: Sure, and I can certainly provide the committee with backup information following the hearings.

A fairly sizable percentage of American states have this. California, in particular, is one of the leaders in the field. I believe 34 municipalities in that state have inclusionary zoning practices and have created literally thousands of units over the years, but I can certainly get you more details.

Ms. Soo Wong: Are there any Canadian cities or provinces with a similar type of legislation?

Mr. Harvey Cooper: I'm not aware of any Canadian ones. There are some European countries that use it as well.

Ms. Soo Wong: Okay. My last question through you, Mr. Chair: With regard to the number 4 recommendation, "Make government lands available for affordable housing," we know in the city of Toronto—coming from the Toronto District School Board—we have many properties. Have you begun that conversation with the Toronto District School Board about turning some of those X number of properties into affordable housing—

Mr. Harvey Cooper: I think that's an excellent suggestion. We've had some discussions with trustees and we think every level of government has a role to play. Ontario has surplus land, the city has surplus land, the federal government has surplus land. A number of the co-ops that are built in this city were as a result of partnerships, either on city land or provincial land, long-term leases. We think that issue should be revisited.

It was a promise made in the 2003 Liberal election platform and hasn't reached fruition. Certainly I think the school board has a role to play, as municipalities do, but I think it's one area the province should have a good, hard look at as well.

Ms. Soo Wong: Thank you.

The Chair (Mr. Kevin Daniel Flynn): Dipika, you've got just over two minutes.

Ms. Dipika Damerla: Thank you, Nicole, and thank you, Harvey, for coming here today and for an excellent, well-organized presentation. You know that you've got the Liberal Party's support for Bill 14, obviously, because we've introduced it. I really look forward to getting it passed. I've already, as I was mentioning to Harvey earlier, gone to the co-ops in my riding and spoken to them about the change that is hopefully coming.

I did have a question on pressing Ottawa to recommit expiring federal assistance. I don't know what the federal

process is, but I'm curious: Did you guys get a chance to present before the federal pre-budget hearings, and what was their response?

Mr. Harvey Cooper: Yes, we presented there. We've met with many federal MPs of all three—however many—parties, including quite a number of government members. Their response at the moment is they are studying the issue. Our sense is these agreements in Ontario, speaking for the co-op housing sector—about half our co-ops are funded under federal programs, half under provincial. Our sense is, as those agreements expire—and as Nicole mentioned, they're starting in 2014-15, right through 2020—the federal government is probably looking, as we mentioned in our brief, for those programs to be cost-shared. That's just the response we seem to be getting in the discussions—

Ms. Dipika Damerla: What does "cost-shared" mean?

Mr. Harvey Cooper: Cost-shared would mean I think they'll be looking for the province and other levels of government to also come to the table. What we're suggesting is that this is a very cost-efficient, long-term affordable housing program. You have existing buildings with residents in them. It would be similar to private rent supplement agreements, that every level of government should ensure those contracts don't expire. And I don't want to give the impression whatsoever that the federal government doesn't have the foremost responsibility here; those are their programs. But I think the province also has to make it absolutely clear this is a priority; they want to see those agreements continue.

Ms. Dipika Damerla: My last question—and Soo talked about it—is the zoning legislation. I know that in Mississauga I've been talking to my councillors, and there's a lot of appetite. The only thing I do want some clarification on or your feedback is this: I'm assuming that when a city sets zoning limits that you can only do 10 floors, it's for a reason, and to be able to say, "Well, if you build in some low-cost units, we can do 11," it seems arbitrary that it was 10. So my instinct would be to mandate more, in sort of giving that incentive, to just say, "You've got to have them." I just wanted your response to that.

The Chair (Mr. Kevin Daniel Flynn): It's going to have to be a very short response, Harvey.

Mr. Harvey Cooper: I think what we need then is political will between the municipal levels of government and the province. The province does have planning authority. The municipality has local zoning authority.

I'll just finish by saying that you see literally hundreds of cranes up across the city and the GTA, and that we are not accessing any forms of affordable housing through that development I think is something that needs to be seriously revisited.

The Chair (Mr. Kevin Daniel Flynn): Great. Thank you very much for coming today, Harvey and Nicole. Thanks for your presentation.

Ms. Soo Wong: Thank you very much.

The Chair (Mr. Kevin Daniel Flynn): Good delegation of authority there.

CANADIAN THOROUGHBRED HORSE SOCIETY, ONTARIO DIVISION

The Chair (Mr. Kevin Daniel Flynn): Our next speaker this morning is the Canadian Thoroughbred Horse Society, Ontario Division. We've had a substitution for Julie; we've got Glenn with us this morning. Glenn, if you'd take a seat. Make yourself as comfortable as you can.

Mr. Glenn Sikura: Thank you very much.

The Chair (Mr. Kevin Daniel Flynn): You've got 15 minutes. You use that any way you see fit. If there is any time left over, this round of questioning will go to the Conservative Party. I'll let you know when you've got about two minutes left.

Mr. Glenn Sikura: I appreciate that. My name is Glenn Sikura. I'm the president of the Canadian Thoroughbred Horse Society. Our society has existed for over 100 years. Essentially our mandate is to look after the rights of the people that breed thoroughbred racehorses within the province of Ontario.

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There are any number of facts and figures that we can provide and will provide if you so desire. I think this file has been going on for a long time, and we're taking the approach that you do certainly know some of the facts and figures. I hope to keep on text here and be able to get a little bit more accomplished otherwise than regurgitating what I think you may already have been exposed to.

A brief history: Last March, Mr. Don Drummond produced a document known as the Drummond report. Among the many, many recommendations made by Mr. Drummond was the suggested review of the program we all know as SARP, or the Slots at Racetracks Program, a review—not an overhaul; a review—that would show whether the province was getting “value for money” from this 14-year-old partnership—and we take great umbrage at the word “subsidy”; it was a partnership—between government and the equine stakeholders of Ontario.

That is not what happened. Instead of a review, we had our previous finance minister cherry-pick from the report, and politicize and misrepresent the program and the role of the Ontario horse racing and breeding industry within the provincial economy. His misunderstanding of my industry—if you read the notes, it says “our industry” because we have two people that are stuck in traffic that aren't here—should not be a surprise, after all—

The Chair (Mr. Kevin Daniel Flynn): I think they've joined you. You guys can come forward if you like.

Mr. Glenn Sikura: Oh, I'm sorry. Peter Berringer, first vice-president, and Julie Coulter, our general manager.

The Chair (Mr. Kevin Daniel Flynn): Oh, good. Make yourselves comfortable.

Mr. Glenn Sikura: The point here is that a multi-billion-dollar decision was made without the benefit of a cost-benefit analysis. I want to repeat that because it's

mind-boggling: Can you imagine making a decision of this magnitude without the benefit of an appropriate cost-benefit analysis?

What followed has been despicable. The industry and our participants were demonized to the general public, horse people divested and continue to divest, hard-working citizens—not people making six figures, mind you; that's the image many people have of the horse racing industry—people that are hard-working, taxpaying citizens making relatively smaller wages lost their jobs and lost incomes, and beloved animals that we're all involved with were put at risk. In short, a free-fall within our industry began.

By mid-summer, the government offered up a glimmer of hope with the formation of the OMAFRA panel. Make no mistake: This has not been a panacea for the hard-working taxpayers that are involved in the Ontario horse racing and breeding industry, but at the very least, the level of expertise on this file improved dramatically and the rhetoric slowed considerably. We continue to have conversations with the panel on a regular basis.

One of the members of the panel made the following comment: that “politicians and horses have something in common—neither one likes to go backwards.” While humorous, it's quite accurate, but that's exactly what is needed. Government must take a stand immediately to reverse the current path of destruction that we're on. Making decisions or non-decisions to save face does not represent true leadership. Taking the appropriate and moral course of action in a difficult time, however, does.

Repeated efforts by our industry representatives have not yet led to a plan that will lead to the stated government goal of long-term sustainability. Our industry has considerable historic and cultural significance as well as massive economic benefits to the province. We deserve better.

Our new Premier is to be commended for inserting herself as the Minister of Agriculture and making the statement that the horse racing and breeding industry would be integrated into Ontario's gaming strategy. This is one of the prime asks of those involved in the horse racing industry. The question is: What does this mean and when can we expect to hear something concrete? Talk alone does nothing to provide any confidence or investment to an industry that's reeling.

I want everybody to understand the urgency here. We're not talking about a decision that needs to be made in the future, because we're losing people as we speak. Every morning, when we wake up, there are less people invested in the industry.

The results we do have currently are as follows:

- fewer race dates, therefore fewer racing opportunities;
- loss of one of the two thoroughbred racetracks within the province;
- a reduction of our foal crop;
- the loss of nine of our top 20 stallions in the province from 2012;
- diminished board revenue for those of us running horse farms;

- plummeting sales prices;
- decreased foreign investment; and
- people, again, who are losing their livelihoods.

Please, once again, let's remember we're not talking about six-figured people who wear suits; we're talking about hard-working Ontarians for whom this is a way of life, and there is not necessarily an alternate path that they can follow.

When we hear that we will be integrated into the gaming strategy, I have to reiterate: When and how? While we continue to travel into the abyss, the OLG recklessly marches forward, contributing to our demise. If we are truly going to be part of the gaming strategy, nobody seems to have informed the OLG.

According to the OLG, unlimited riches through massive casino recruitment will be the tonic that the province and the municipalities need to solve their financial woes. It should, however, be noted that SARP has already generated some \$640 million to various communities. OLG tactics—which personally, I would suggest, are bullying tactics—suggest that if you don't get on board in your municipality, you'll suffer because your neighbouring municipalities certainly will.

It doesn't matter that the residents don't want these facilities—and we're recommending referendums be mandated. It doesn't matter that the proceeds will flow mostly to foreign corporations. It doesn't matter that the information that is being circulated is patently false. You'll note Monte McNaughton's release when he talked about the \$50 million to \$100 million that was being spewed around as being of benefit to the city of Toronto. That figure is clearly—it stated that every slot machine in Las Vegas couldn't generate that amount of money.

There are further examples. I was at a city hall meeting where people were all told in council that there would be as much as 20% or 25%, I believe, of people from foreign countries attending our casinos, gambling and gaming, and they used places such as Asia. Now we're to believe that people are going to fly in from Macau, Hong Kong and places like this so that they can play a Toronto casino in the middle of the wintertime. It doesn't seem very logical or honest to me. And local businesses will be crushed: That is the history of casinos.

Remarkably, it doesn't even matter that facilities such as Woodbine Racetrack are available and up and running—hence, a very quick start-up time in comparison to building a new casino—they have a significant customer base already and they are an accepted location for gaming, or that they help support 60,000 jobs in the province. The logic is to disassemble the SARP, which generates \$1.2 billion per annum to government and helps sustain a multi-billion-dollar industry, and replace it with an unknown and mostly unwanted foreign conglomerate on the hopes that it may—I repeat, may—be able to outperform the unmitigated success that already exists.

MGM Grand had the audacity to hold a job fair in Toronto last week. That's not a very good message to send people in the horse racing and breeding industry.

By the way of comparison, the horse racing and breeding industry that is portrayed as receiving too large

a share of slot revenues receives less than half of the amount that the OLG sees fit to give to their associates who run bingo halls: 47% versus 20%, which is the horse racing industry's cut. I would ask rhetorically, how does that make any sense whatsoever?

I would also like to note that of the 20% that stays within the horse racing and breeding industry, 10% goes to what we're calling the horse people, the stakeholders who own the animals. That 10% is completely transparent and completely accountable.

Here's the good news: Government does not have to choose between acting on behalf of the greater public good versus the horse racing and breeding sector. Any common decency would suggest that the two goals will both be met by a responsible approach that would involve cessation of the OLG modernization strategy while conducting meaningful negotiations within the equine industry towards long-term sustainability. We're not looking to be transported to another business; we're looking for long-term sustainability.

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My colleague to my right, Peter, has several—maybe in the question period, if there are some asks of him—suggestions going forward as to how we might do that. One of the things of note is that there are 11,800 or so outlets that sell all kinds of other gaming tickets; perhaps integration with the horse racing industry would be appropriate and would help us and government, of course, to that end.

There is a New Democratic bill that has been presented and will be supported by the Progressive Conservatives—that those in the horse racing industry, I believe, will also support—which suggests a similar course of action. Again, here's what I think people really need to understand: We're not talking about a potential disaster; we're in a disaster situation currently, and it's only getting worse. With every passing day, our industry is diminished. Soon, the damage will be completely irreversible. At this stage of the crisis, words mean nothing; only deeds speak.

We have backup information available upon request, and Julie or Peter may also have some points to make or some questions to answer. I thank you all very, very much for your time.

The Chair (Mr. Kevin Daniel Flynn): Great. Thank you, Glenn. You've left just over three minutes for questions. Julia?

Mrs. Julia Munro: Thank you very much for coming, and we appreciate the urgency of your message.

I just want to start by saying that people who obey the law, pay their taxes and earn their living don't expect to wake up one morning and find themselves the target of government, in such a stark intervention and ultimate demise.

There are three things that I just want to ask you to touch on briefly. One, of course, is the job loss. It's one of the things that we're very conscious of in this province—that we continue to have job loss. Obviously you can speak to that as well.

Mr. Glenn Sikura: Okay. Well, first of all, I run a horse farm. Peter's a horse trainer down at the track. My horse farm is virtually 50% of what it was this time last year; I have no foreign investment whatsoever. The boarders that I do have are from locals now; the farms they used to be at are either shutting down or operating at far less capacity, so board income is being devastated. Season income is being devastated, and this all trickles down. I have fewer people now working on my farm than ever before. We're talking about 60,000 jobs—that's the figure that's in the OLG's annual report; it's been debated whether it's 60,000, 55,000 etc. I think that's irrelevant at this point. Massive job loss is what we're talking about already.

I don't know if Peter has any comments to make within the training, but people aren't bringing horses back to Toronto to train. There's too much uncertainty. If they don't bring horses back to train—

Mr. Peter Berringer: Yes. I'm probably down 50% from last year, too. They won't invest, and they're getting rid of what they have because they're panicked.

Mrs. Julia Munro: And I guess that raises the issue of the shrinkage. Obviously, every business requires a critical mass. When the government has talked about making deals with certain racetracks, are you not afraid of passing that point of critical mass where, in fact, you can't return to a viable operation?

Mr. Glenn Sikura: The thing is, it takes a long time to regenerate, if at all. We're in the breeding industry, so when I breed a horse this year, it foals next year. The following year it's a yearling. The following year, if we're lucky, it gets to the racetrack as a two-year-old; more likely as a three-year-old. How on earth can we react to something that happened—

Mr. Peter Berringer: It's a five-year cycle.

Mr. Glenn Sikura: Yes. We're a five-year cycle, and to get an 11-month notice that our business would be devastated? It's not appropriate. I think one of the basic tenets of life is that you're supposed to clean up your own mess. This is a mess that was not created by industry; this was a mess that we were put into and there is no solution beyond looking for long-term sustainability.

Mr. Peter Berringer: Our business is driven by the gaming dollar. When you lose bettors, it's hard to regain them once they go to another gaming dollar, and our industry is driven by the gaming dollar.

Mrs. Julia Munro: I think you've added really important ideas here for us—that people should take notice very soon.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Julia. Thank you all for coming today.

Mr. Glenn Sikura: Thank you for having us.

ONTARIO COMMUNITY SUPPORT ASSOCIATION

The Chair (Mr. Kevin Daniel Flynn): Our next delegation this morning is from the Ontario Community

Support Association. Deborah Simon, the chief executive officer, is with us this morning. If you'd like to take a seat, make yourself comfortable. I think there's some clean glasses there, if you need a glass of water. You get 15 minutes, like everybody else, Deborah. You use that any way you see fit, and if there's any time left over at the end for questions, it'll go to the New Democratic Party.

Ms. Deborah Simon: Fabulous. Great.

The Chair (Mr. Kevin Daniel Flynn): It's all yours.

Ms. Deborah Simon: It's a net delegation of one, so good morning, everyone. I want to thank you for the opportunity to appear before this committee and to provide the perspective of the not-for-profit and community health sector on the 2013 Ontario budget.

My name is Deborah Simon. I am the CEO of the Ontario Community Support Association. This association represents hundreds of non-profit agencies across the province who provide compassionate, quality home care and community support to over one million Ontarians in this province.

You are no doubt familiar with organizations in your ridings providing services to seniors and people with disabilities, services such as in-home nursing and personal support, Meals on Wheels, Alzheimer day programs, transportation to medical appointments or supportive housing.

While our dedicated staff are key to our agencies, we also efficiently leverage the services of more than 100,000 volunteers annually, services that have been valued at about \$100 million a year.

I don't need to tell you how critical these services are to so many families. They keep people in their homes, where they want to be, in their own communities and closer to their families. These services are also important cost-effective measures that prevent unnecessary hospitalizations, emergency room visits and premature institutionalization.

Stats Canada reported in 2012 that one in four Canadian seniors received home care, most commonly help with housework and transportation. As we know, there's a burgeoning baby boomer growth that will only grow as the population ages.

Fortunately, there is broad consensus amongst public policy experts that home and community support services are key to improved health outcomes and the sustainability of our public health system. This is especially true of the 5% of health care users who rely on our health care system and account for as much as two thirds of the public expenditure.

So while many of our members have been around for decades, providing dedicated quality care, how do we transform the health system so that home and community support is able to provide the comprehensive services that will be required in the coming years?

We are pleased that many in government have already been thinking about this, as evidenced by the Ministry of Health's Seniors Strategy and Dr. Samir Sinha's report on Living Longer, Living Well, which was fully released

last week. His report provides a road map to greater home and community support delivery, and we really support this direction.

Still, as all of you will know, it is the implementation of these big ideas that poses the challenges. They're not insurmountable, but for our sector, and for my members in particular, there are three aspects that I urge this committee to consider as part of its counsel on the 2013 Ontario budget.

(1) We need sufficient resources to enact the government's quality and accountability agenda.

Last year's budget allocated 4% in health spending to community. Dr. Sinha's report recommends at least maintaining that amount for the next two years. But, as you know, there are many layers to get that 4% through before it reaches agencies working on the ground.

Being new money, it was and is intended for new programs and services. Yet our members, including the most experienced and efficient of organizations, are struggling to maintain existing services, expand in new areas and meet the vigorous new reporting requirements. These are all things our members want to do, but cannot do under the current allocation framework. We are concerned that government will not see the desired results—the results that my members want to do and know they can deliver on—because of this.

Our recommendation, then, is that government continue with a 4% to 5% increase in spending for the community sector, but that from that amount 1.5% be dedicated to enhancing quality and accountability measures, a criterion which could be agreed upon between the ministry and OCSA. In essence, the government will be giving our hard-working members, their staff and volunteers a chance to catch up and position themselves to deliver the transformation we all want to see realized.

1010

(2) Excluding personal support workers from mandated wage freezes is critical in allowing agencies in the community sector to attract and retain workers.

Already, many organizations are facing a shortage of skilled workers because they can be paid more working in long-term-care homes or hospitals. If we're going to expand services in the community, we need the human resources to do so. PSWs are already the lowest-paid health workers in the system. I question whether as part of a discussion on public sector wage restraint, the home care worker who bathes a senior for \$12 an hour is considered. Making it more difficult for non-profit agencies in the community sector to recruit and retain PSWs is counterproductive to broad health policy goals.

Our recommendation is to allow members sufficient flexibility to attract and retain qualified PSWs by ensuring there's no mandatory wage freeze on these workers.

(3) We want to encourage the government to adopt smart integration as part of its approach to the community sector.

The efficient delivery of home and community support services is a goal our members share with the government. For some, this means some consolidation of the

small community sector agencies providing similar services into fewer larger organizations. While OCSA will take a pragmatic approach to this issue, we also want to respectfully remind the government that what appears on paper to be duplication can in fact be very efficiently operated. Consider in some cases that there may be smaller agencies working for free out of church basements, relying almost exclusively on volunteers but performing some overlap of services. When you combine these agencies, it may seem like a good idea on paper, but if you do so, you require a bigger office space, and that would likely have to be rented, professional staff to oversee a larger operation that will have to be paid, and more paperwork. It's never always efficient to integrate.

So our recommendation is for government to consider factors such as the neighbourhood and community benefits, access to volunteers and impact on community partners before making decisions on consolidation. In other words, let's pursue smart integration.

We trust that you will give thoughtful consideration to these recommendations. I sincerely thank you for your attention today and I would be pleased to answer any questions you might have.

The Chair (Mr. Kevin Daniel Flynn): You have about eight minutes left, and the questioning goes to the New Democratic Party.

Ms. Catherine Fife: Thank you very much, Deborah, for the presentation. Clearly, your association does amazing work. In fact, the safety net that used to exist is just not there anymore and your members are clearly picking up the slack. So I want to thank you for that.

Ms. Deborah Simon: Thank you.

Ms. Catherine Fife: On the personal support workers, this is an extremely relevant point because that association was here earlier this week talking about working conditions, talking about health and safety conditions, excessive workloads—I mean when you have 20 seniors to bathe in the course of a day. And yet a registry has been established without appropriate criteria. We have a registry with people putting forward their names as PSWs without the appropriate criteria. Could you comment on that a little bit, please?

Ms. Deborah Simon: Sure. OCSA actually has had a large role to play in the registry. I disagree that it is without appropriate qualifications. The registry actually does go through the qualifications of any individual who's applying for registration, so we do validate educational requirements and ensure that if those are equated to work experience, we validate that work experience with the employers. This is incrementally much better than what currently exists in the system right now, where if an individual is looking for a PSW, they don't in fact even know that the qualifications exist. So the registry does do that checking.

Ms. Catherine Fife: That's good. Thank you very much for that clarification.

Have you costed out your ask around having PSWs excluded from a potential wage freeze?

Ms. Deborah Simon: Actually, no, I haven't looked at it. As you know, the number of PSWs—one of the big

pushes to having a registry is actually to quantify the number of PSWs in the system, and that is in fact needed because we have no sense of how many existing PSWs will be needed going forward to be able to support the strategies that are put in place. So we haven't done that level of costing, but it's a great suggestion and I'll take that on.

Ms. Catherine Fife: And just one final one: The Living Longer, Living Well report is excellent, and I would just encourage you to stay in touch with all parties as the implementation rolls out, because there are some solid strategies in that report that, as you point out, can go awry without the proper implementation strategy.

Ms. Deborah Simon: Right. And we're really pleased to say that we actually helped produce and provide information to Samir to help him with this strategy development. So we're intimately aware of the document and very supportive.

The Chair (Mr. Kevin Daniel Flynn): Great. Thank you very much for coming today, Deborah. It's appreciated.

Ms. Deborah Simon: Thank you very much.

COLLEGES ONTARIO

The Chair (Mr. Kevin Daniel Flynn): Linda, come on forward. You're next to the hot seat. Make yourself comfortable. You've been here before so you're no stranger to this room. There's 15 minutes. You use that any way you see fit. If you've got any time left, it will go to the Liberal Party this time for questions and answers. Welcome.

Ms. Linda Franklin: Terrific. Thank you very much, Mr. Chair.

Good morning. I am Linda Franklin. I am the president and CEO of Colleges Ontario, which is the association representing all of the colleges in Ontario. Thank you for this opportunity to talk to you about what we think should happen in the 2013 budget. We think it's a particularly opportune time. We've been talking about the skills shortage and skills mismatches for about six years now, and when we started, not very many people were listening; it didn't seem very current. The recession, I think, masked some of what was coming. But as you can see, even from the media in the last two weeks, this issue has taken off. It's clear; employers are recognizing it. Both the CME and the chamber of commerce have made it one of their critical missions to address the skills shortage and the skills mismatch, and we're expecting a federal budget today that addresses it. So clearly, the issue has taken off. We were very pleased to see the focus on job growth and the recognition about an educated and skilled workforce being essential to meaningful job creation in the recent speech from the throne.

There's no question the challenges our province faces are significant around this issue. Far too many young people throughout the province are struggling to find meaningful work, and far too many people who have lost

their jobs after years at the same company are continuing to seek opportunities to train for new careers.

A lot's been done in the last few years. Second Career, I would say, is a really good example of a strong response to that, but there's much more that needs to be done because there is an increasing skills mismatch in Ontario and through the country as employers struggle to find qualified people.

When I talk to my counterparts, particularly in the Maritimes and BC now, they point to the new shipbuilding contracts they've just been awarded and talk about the fact that they will need far more skilled workers than they could ever have imagined. And they're coming to Ontario to look for them.

In his seminal report, Rick Miner, the president emeritus of Seneca College, talked about this problem as "People Without Jobs, Jobs Without People." As he noted, addressing the skills mismatch requires a much more comprehensive strategy than just stimulating job growth, although that's important. We need new jobs, but we also have to ensure that as these jobs become more difficult and challenging from a knowledge and skills perspective, we have people with the right qualifications and advanced skills to fill those jobs.

Too often, that just isn't the case. Even in this difficult economy today, we're finding all sorts of job openings that can't be filled because people don't have the right qualifications, and lots of folks who are looking for jobs. This challenge has caused all of us to take a look really seriously in the last few months at the skills shortage, and Ontario's 24 colleges are already helping to address the skills mismatch. But more than ever, the province needs to produce more college graduates who are creative, who have acquired advanced skills and who are job-ready for some of these openings and opportunities as they come up.

Right now, we offer over 600 programs that are educating and training students from a wide range of income groups, underrepresented populations, first-generation students, aboriginal learners and students with disabilities—all the folks we are going to need to reach out to if we are going to achieve a 70% post-secondary graduation rate and fill the high-skill jobs of the future. We're nimble enough and our governance structure allows us to quickly address the needs of the economy as they emerge. So we were able to produce, for example, all sorts of new programs in the green energy sector as that sector started to emerge and job requirements became clear.

The government has supported post-secondary education strongly in the past few years, and as a result, Ontario and the college system here are in a better position than most to ensure that we have the qualified workforce we need. But in order to capitalize on our shared priorities, we have a big challenge that arose in the last budget and is going to follow us for the next three years. We're asking the government in this budget to address the decisions that have disproportionately affected colleges.

We think it's critical that we have the financial certainty we need to address the skills mismatch going

forward. We understand, no question, that there are tough budget decisions that are going to be needed to get Ontario back to balanced budgets, and this is a tough time for the province. We're prepared to do our share. We support efficiencies; we're an efficient system and we've proposed a lot of recommendations to help create savings in post-secondary education, including big improvements to the credit-transfer system.

1020

Our issue today is that the burden that was placed on colleges in the post-secondary reductions announced last year, which will take effect over the next three years, asked colleges to absorb 46.5% of the reductions in our sector. These reductions are coming directly out of our current operating budgets. Our colleagues in the university sector have also been asked to make cuts, but a significant portion of their cuts is coming from future revenues, from graduate spaces that will be deferred, and not current budgets. As you can imagine, it's a whole lot easier to balance your budget at home if you're cutting future potential revenues rather than money from the budget you have now.

As we've outlined, the college sector gets 28.7% of the operating funds that come from government to post-secondary. So, in a reasonable universe, we think our share of the cuts should have been about proportionate to our share of the grants. Instead, we find ourselves with an overrepresentation in terms of the cuts that will cause an additional \$25 million lost in annual operating dollars. These cuts are planned for the next three years. So even though these were highlighted in last year's budget, in the next budget there is still the opportunity to address this challenge. We're really asking for colleges to be treated equitably.

We deliver quality programs at a lower cost to government than in any other Canadian province. Colleges operate on less per-student funding, believe it or not, than our high schools, not just our universities. So we're urging the government to work with us to get these issues addressed in the upcoming budget.

The other thing we think needs to be addressed in the budget is the need for fiscal certainty in relation to tuition. We think this must happen from a perspective informed about the differences between colleges and universities when it comes to tuition.

In a recent press release, the Canadian Federation of Students' chairperson said, "With tuition fees in Ontario the highest in the country and student debt hitting record levels, the new tuition framework must provide immediate relief from high tuition fees." This statement is absolutely untrue in relation to colleges. The failure to differentiate between college and university tuition levels we fear could lead policy-makers to make choices that would be wholly inappropriate for the colleges and their students.

There are real differences between the tuition fee levels at colleges and universities, as many of you who have colleges in your ridings know. The tuition for a typical college program is about \$2,400 per year; the

typical tuition for a university arts and science program is about \$5,400. College students take about half as much time, usually, to complete their courses and often live at home while they do so. Thus, their costs are much lower than a typical university student's who lives away from home. College students who graduate with debt have much more manageable debt than those attending university, and there are many programs, bursaries and student aid programs to help with that debt.

Colleges are working with the government to raise the post-secondary graduation rate. We think it's a critical objective. In doing that, we are going to need to welcome more and more students with special needs, whose success often depends on a number of supports. This increases the cost to service our student needs. Rightly so, they're costs we should take on, but we have just found in a recent Deloitte study that colleges are now covering about \$100 million in extra costs to support these students than we receive in grants from government. It's a big challenge, and as we welcome more of these students in to ensure equity across the system for all students, these costs are going to rise, not diminish.

Over the past three years alone, the gap between the average tuition fees for regular college programs and university arts and science programs has increased by \$360.

That's why we're calling on the government to establish a tuition fee framework distinct for colleges as part of a long-term effort to ensure a fiscal sustainability for our entire college network.

In the interim, we think it's critical that decision-makers approach the current tuition discussion with an understanding of the differences between colleges and universities in this area. Too often, we find, tuition discussions in the media lump us both together, focus on university realities, bring colleges in as though they were the same, and ignore the real differences between colleges and universities. That's a huge challenge when we start to make really good, informed decisions about where we should go for tuition.

We absolutely agree with student groups that any new tuition framework has to maintain accessibility for our students. It's what the college system is all about—the access agenda. But limiting growth and tuition revenues at the same time that our operating grants are being severely constrained is going to severely limit the ability of colleges to provide the post-secondary education students need and to be sure that our province has the advantage of the vast range of students who should get a post-secondary education to be absolutely terrific contributors to the economy.

In light of the skills mismatch facing Ontario and the increasing need for more college graduates, we think it's critical that colleges be given a tuition framework that responds to the needs of our students, the economic realities of our province and our need to preserve high-quality programs so that our graduates hit the ground running and deliver fully on their potential to employers that hire them and need them job-ready.

In conclusion, let me just reiterate that colleges are ready to do their part, both in addressing the fiscal challenges and in training the next generation of highly skilled workers to enter the economy with the right skills for the jobs that are out there. But we need to be treated fairly in budget decisions and tuition decisions. Our share of these cuts should bear some relationship to our share of government funding.

Remember too that we are not all—the partners in the broader public sector—starting from the same base when it comes to looking for efficiencies and productivity improvements when cuts are made. The college system is already very lean. We are effective and efficient stewards of public resources. We already have a joint pension plan that is well funded with large employee contributions; it's not tied to inflation protection every year. Lots of decisions have been made over the years to make sure that plan is sustainable. We have shared services agreements across the college system. We bargain with our unions together as one entity. We have one centre for all students applying to colleges, and we are the largest per capita investors in OntarioBuys. So we have limited room to cut in our institutions without affecting quality.

With a grad employment rate of 83% even in this recession, Ontario's colleges are already producing the highly educated and skilled workforce that Ontario needs. We think we can do more to help make the province stronger and more prosperous. We hope that the Ontario budget will continue to support this critical work. Thank you.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Linda. You've left a couple of minutes for questions, probably time for one. Soo.

Ms. Soo Wong: Thank you very much for your presentation and for the handout. This is very helpful. You spoke several times—as well, it's in your written submission—about the skills mismatch. Can you further elaborate about the skills mismatch? What is your role as a college in terms of dealing with this issue, and what can the government do? My last piece is dealing with the costs; there's always a cost. Can you elaborate about that, please?

Ms. Linda Franklin: I can. Let me elaborate by way of example. In Kitchener-Waterloo at the moment, we had a whole lot of folks laid off in manufacturing. At the same time, even with the challenges RIM has had, there were a whole lot of new high-technology jobs opening up. There were a lot of folks in that area who were unemployed, looking for work, and a whole lot of jobs available for which they were not qualified. We talked to the aerospace industry a little while ago, and they said to us, "Look, during the time when we were laying off jobs in the auto industry, we were looking for people to work in manufacturing in aerospace, but we had no way of understanding what the qualifications were of the auto folks who might well have come over to the aerospace industry." We needed some way to figure out what the skills gap was for those employees and what we would need to do to train up to a level where they could be in

aerospace. Is it six months? Is it three weeks? Is it three years?

I think we have two problems. One is people who don't have the skills they need. The other is folks who are laid off from jobs, and companies looking for good employees have no way to evaluate those skills and understand whether there's a way forward. A skills passport would certainly help some way, and colleges are working on this sort of idea now, where there's a cataloguing of the skills that you've learned, the learning outcomes on your job, so that maybe those skills are translatable for employers looking for folks.

I think Second Career is a really good example—it should be continued—of finding ways to take people who are unemployed through no fault of their own and think about what the next career option for them is. St. Clair College in Windsor is a great idea, where they took a whole lot of folks in the auto sector who were unemployed and took them through Second Career. Many of them found new jobs and great jobs.

It's not cheap; you're right. But I think there are lots of ways that the government can continue to invest in training. Bring employers to the table and ask them to support training programs. If they work with colleges and can find and identify new areas where skilled workers are required, there should be a cost sharing in that because it works for the employers as well.

The Chair (Mr. Kevin Daniel Flynn): There's probably time for one more question from Dipika. It's got to be very, very short, though.

Ms. Dipika Damerla: Linda, thanks for coming. I just wanted confirmation of what I think might be. You mentioned that tuition is \$2,400, but if you factor in the 30% tuition off, which 80% of Ontarians are eligible for, I figure it's closer to \$1,700. Would that make Ontario one of the most affordable places to go to college?

Ms. Linda Franklin: Even without that, it's one of the most affordable places to go to college. About a third of our students are eligible for the OTG, because many of them come to college when they're older, but for that third, yes, it does make exactly the difference that your math suggests.

The Chair (Mr. Kevin Daniel Flynn): Thank you very much for coming, Linda.

Ms. Linda Franklin: Thank you.

Interruption.

The Chair (Mr. Kevin Daniel Flynn): Good timing. Thank you.

We're recessed till 2 o'clock this afternoon, right here.

The committee recessed from 1030 to 1359.

CENTRAL 1 CREDIT UNION

The Chair (Mr. Kevin Daniel Flynn): Okay. You've been called to order, members.

Our first delegation this afternoon is from Central 1 Credit Union. Kelly McGiffin and Kelly Harris are both here to talk to us. There's 15 minutes, gentlemen, to make your presentation. Use that any way you see fit. If

there's any time left over at the end, that will go to the official opposition, the PCs, first. Outside of that, the floor is yours. You've got 15 minutes.

Mr. Kelly Harris: Thank you, Mr. Chair. As you said, my name is Kelly Harris and I'm the government relations director for Central 1 Credit Union. This is my colleague Kelly McGiffin. He's the president and CEO of FirstOntario Credit Union and a member of Central 1's board legislative committee. Joining us here also: our legal counsel, Alena Thouin; our media relations manager, Art Chamberlain; and government relations assistant, Katie Rochefort.

I'd like to start off by thanking the committee and the members of the subcommittee for inviting Central 1 Credit Union to make today's presentation on behalf of our 99 member credit unions and 1.3 million members in Ontario.

Those credit unions serve 531 communities. In 25 communities, we are the sole financial institution. Central 1 is the umbrella organization, providing trade services, liquidity and treasury services to almost all credit unions in Ontario. In addition, we handle payment processing for our members and for many other organizations across the country. We are also the central for British Columbia credit unions as well. This puts me in an enviable spot to see what works in Canada's credit union system and to make recommendations to committees such as yours on how to grow and strengthen credit unions in Ontario.

First off, credit unions are community-based financial organizations owned by ordinary Ontarians. For seven years in a row, credit unions have been ranked ahead of the chartered banks in customer service—excuse me, member service. Our members are your friends at Rotary, your child's soccer coach, the teacher at your child's school, and just like our members, credit unions are part of the community too. When a credit union's personnel donate time and money to charitable initiatives, or a credit union lends to a small or medium-sized enterprise or makes an agricultural loan, they do so in the community they are part of, because the goal of Ontario's credit unions is fairly simple: stronger communities, more jobs and a stronger Ontario.

To that end, Central 1's member credit unions have consistently increased investments in the form of commercial and agricultural loans and mortgages since 2008. In 2008, our member credit unions invested \$21.1 billion in such loans; in 2012, they invested \$32.3 billion. That is a more than 50% increase in investments in Ontario since the beginning of the so-called "great recession," a time when our province needed job creation investments most. When Ontario needed credit unions, credit unions were there.

I would like to tell you about one such job creation program. Alterna Savings, Ontario's first credit union, launched the Micro-Finance Program a decade ago, its goal to help those with low income, women and new Canadians start and expand small businesses. Its loans ranged from \$1,000 to \$15,000, amounts generally too small to be considered by the chartered banks.

There are several examples of success stories, but I'd just like to mention one. Freedom Support Services, a home health care provider with more than 40 employees, today does more than \$1 million in business, all thanks to an Alterna microloan.

Just a couple of years ago, the Carleton Centre for Community Innovation in Ottawa published a report on Alterna's microloan program, and it contains some amazing findings. Participants reported a reduced reliance on government income assistance. The proportion of individuals reliant on some form of assistance fell from 42% to 21%, a 50% decrease after participating in the program. Some 95% of those businesses that received lending support from Alterna are still around today, and 62% hired two to four employees. Participants reported increased income, which improved their quality of life with increased financial stability, the purchase of new assets and better nutrition for their families. Before participation in the program, only 8% of borrowers owned a home; 27% owned a home at the time of the study. Alterna's Micro-Finance Program has meant reduced reliance on government social programs, job creation, small business success, healthier families and home ownership for participants.

These types of grassroots economic development programs can be found at credit unions Ontario-wide. Kelly's credit union has such programs as well.

But being good corporate citizens isn't just about loans and financial services. Last year, Ontario credit unions invested \$3.1 million and their staff contributed 10,000 volunteer hours to support the communities in which we work and live. Those community investments include a \$500,000 investment into the University of Windsor by Windsor Family Credit Union, a \$1-million commitment by Italian Canadian Savings and Credit Union over the next 10 years to help build the new state-of-the-art Humber River Hospital, and \$24,000 by Libro Financial in London to help youth learn employment skills and gain employment in London. Of course, youth employment is a major consideration for the upcoming budget, and credit unions are tackling that need, independent of government support or direction.

Let me tell you about a few ways we can work together so credit unions can build on their success, helping Ontario succeed in the process. Under legislation in all of Canada's western provinces, credit unions provide unlimited guarantee of repayment of deposits that they accept. Most credit unions in the Atlantic provinces offer a \$250,000 deposit insurance guarantee. In the United States, credit union deposits up to \$250,000 are insured by the National Credit Union Administration, and even Prince Edward Island guarantees credit union deposits up to \$125,000.

In Ontario, that deposit guarantee is \$100,000 for non-registered deposits. For chequing and savings accounts, that is the lowest level of deposit insurance in all of North America. And unlike Canada's schedule I banks, credit unions do not own subsidiary corporations such as mortgage investment corporations that also accept de-

posits, permitting depositors to double up on deposit insurance.

As a show of support for Ontario credit unions and to help level the playing field, we ask the provincial government to increase deposit insurance levels for credit unions to \$250,000. This would not only show that you believe in our system, but you also believe in the important work we are doing to strengthen and grow Ontario.

Also, Ontario is the only province in Canada that does not require mandatory credit union or caisse populaire membership in a central credit union or federation. This means there are still a number of credit unions in Ontario that rely on banks to hold their statutory liquidity reserves, and more importantly, it means that credit unions are reliant on chartered banks for clearing and settlement line of credit. If you've ever seen the movie *It's a Wonderful Life*, everyone knows what can happen when a bank pulls your line of credit.

To protect Ontario investors, we ask the provincial government to require that all credit unions and caisses populaires in Ontario become members of a central organization by January 1, 2015.

Last, but not least, virtual credit unions from Manitoba offering unlimited deposit are advertising in Ontario newspapers through rate sheets. So significant have their forays into Ontario become that recently, they were featured in *Maclean's* magazine. Because of loopholes, these institutions not regulated by either the federal or Ontario governments are doing virtually what they would never be able to do in the way of bricks and mortar. This is very simply an investor protection issue, as these are not federally- or Ontario-regulated or insured institutions. We're asking the provincial government to issue a cease-and-desist order, as has been done by both the governments of Saskatchewan and Nova Scotia, to those Manitoba credit unions to require that they discontinue advertising through rate sheets in Ontario newspapers, and then to close the loophole in legislation that allows virtual credit unions from Manitoba to operate in Ontario.

These initiatives cost almost nothing. They are each grounded in the idea of a level playing field and investor protection. But by making these changes you will help grow and strengthen Ontario credit unions. With your support, Ontario credit unions promise to keep doing what we've been doing, just on a larger scale: helping to make Ontario communities even stronger and helping small and medium-sized businesses and family farms to create more and more jobs, building stronger communities and a stronger Ontario.

Thank you. Kelly and I would be happy to take any of your questions.

The Chair (Mr. Kevin Daniel Flynn): Great. Thank you, Kelly. You've left about five minutes. Who's asking first? Jeff? Go ahead.

Mr. Jeff Yurek: Thank you, guys, for coming out. It's a great presentation. I watch *It's a Wonderful Life* every year. The Legislature last session made a lot of angels' wings with the bell-ringing we did, but aside from that—

Mr. Kelly Harris: I made a few myself, there.

Mr. Jeff Yurek: What are the advantages of increasing the deposit insurance to \$250,000?

Mr. Kelly Harris: Well, I'll just start with a couple of points and then I'll ask Kelly to follow up on this.

It's about levelling the playing field; it's about being fair. Right now, in credit unions in Ontario, one of the difficulties we face is people knowing that we're out there and that we can provide all the same services as the banks. In fact, we're consistently ranked way higher than the banks in terms of member service. But the first thing that increasing the level would do would be a statement from the government that you actually believe in credit unions.

These are the financial institutions of the government of Ontario. If you listen to the last three speeches from the throne, they've all talked about strengthening and growing the financial sector in Ontario. Well, that's not the banks; that's credit unions. That's the industries that you actually legislate and regulate. This would be, first off, a statement from the government that says, "Credit unions, we believe in you," and says to the people of Ontario, "Use the credit unions because they're good financial institutions."

Kelly was with the BC credit union system and can talk to you about what happened there when they needed to increase to unlimited to level the playing field, because we were losing deposits to Alberta the same as we're losing deposits to Manitoba right now when we shouldn't be. But I'll just let Kelly follow up on that.

Mr. Kelly McGiffin: Yes, I'll speak from the perspective of an operator in the system. There is a tremendous disadvantage to credit unions in terms of the playing field. Banks have a number of sources fuelling their lending capability to Ontarians, more than just deposit gathering. They have a number of external sources for funding. With credit unions, we're basically a deposit-and-loan institution, so when we look at the deposit-gathering opportunities within Ontario, we see that the chartered banks hold about 96% of deposits in Ontario.

When I came from British Columbia, the penetration of members to population in British Columbia was about 40%; 40% of the population has accounts with credit unions. In Ontario, the largest market is around 8%. Now, the stumbling block that I faced was credibility. People just do not know what credit unions are in Ontario. We're the only alternative to chartered banks, and many consumers want to make a choice, but if they don't believe that that choice is credible or legitimate, how do we convince them otherwise? Well, one of the ways we can convince them is to have a slightly higher deposit insurance that says from the government itself, "These are safe, comfortable places that you can put your money." We need to do the rest, which is to get out and promote our services, tell our story, which we think will reside very strongly with the Ontario consumer. But we need help in establishing that credibility, and from an operator's perspective, because that's our only fuel to be

able to help communities and help members and help consumers, we need help in determining that deposit.

Mr. Jeff Yurek: Okay. Do I still have time?

The Chair (Mr. Kevin Daniel Flynn): Just about two minutes.

Mr. Jeff Yurek: Taking on that, say the government decided to increase your deposit insurance to \$250,000 or more. Our economy in this province has been thrown into the ditch and is on a downward spiral from the last 10 years. Would this upgrade on your deposit insurance have an impact on our economic growth, trying to turn this province around? How would that play into it?

Mr. Kelly Harris: Let me start with this one. Eighty-three per cent of credit union operations in Ontario are outside the GTA. That is where you need jobs most. When we invest and we give out small and medium-sized business loans, we are creating jobs in the rest of Ontario. So, would that help the economy? Well, Jeff, in St. Thomas, yes, it would. If Libro Financial grew—that's the local credit union to that area—and they were able to give out more agricultural loans and more small and medium-sized business loans, well, your colleague Ms. Munro can tell you, as the former small business critic for the PCs, the more you invest in small business, the more jobs you create.

We do invest in small business. So yes, it would improve the Ontario economy; I'm confident of that.

The other side to that is, quite honestly, the places where Ontario needs to help most are outside the GTA. I think we can all agree on that, and that's where we operate.

Mr. Jeff Yurek: Okay.

The Chair (Mr. Kevin Daniel Flynn): Your time is up, unfortunately. Thank you very much for coming. It was really appreciated.

Mr. Kelly Harris: Thank you.

The Chair (Mr. Kevin Daniel Flynn): Okay. The next delegation we have listed is FAIR, the Association of Victims for Accident Insurance Reform. Is anybody here from that group? If there isn't, I believe the home builders are here.

Mr. Prue, I'm going to give FAIR about an hour, and based on your request this morning, you may or may not want to put some people on notice that there may be an opening.

Mr. Michael Prue: I'm not going to do it this very minute, but I will within—at the end of this deputation, if they've not arrived yet.

The Chair (Mr. Kevin Daniel Flynn): Just something to keep in mind maybe.

Mr. Michael Prue: Okay.

The Chair (Mr. Kevin Daniel Flynn): Okay. So we'll go and find—

Interjection.

The Chair (Mr. Kevin Daniel Flynn): Let's take a little recess for five minutes, if somebody wants to grab a coffee or something.

The committee recessed from 1410 to 1416.

FAIR

The Chair (Mr. Kevin Daniel Flynn): Okay, let's call to order again. Our next delegation is Rhona DesRoches and somebody else who's going to be introduced from FAIR, the Association of Victims for Accident Insurance Reform. You get 15 minutes. You can use that any way you see fit. If there's any time left at the end of your presentation within the 15 minutes, we'll go to a question-and-answer session. This time, the questions will come from the NDP. Outside of that, the time is all yours to use as you see fit. Okay?

Ms. Marianne Reichert: Thank you, sir.

The Chair (Mr. Kevin Daniel Flynn): Thanks for coming.

Ms. Marianne Reichert: My name is Marianne Reichert. I'm with Rhona DesRoches, and I'm here as the board member of FAIR, but also as a victim. I did a presentation about nine months ago, and in my view, nothing really has been done to help us or others.

The NDP thinks that they're helping people by demanding a reduction in premiums, but they totally ignore the accident victims in the process. A premium reduction is fine, but they should be fighting against changes to the cat definition, and making insurers provide transparent information about their financial situation and accountable for their actions. Those issues are just as important as premium reductions. The fact is that insurers have a guaranteed return on their investment and that claimants receive only a fraction of it at the end of the day.

I would like to share our story with you, which I call "from well to hell."

My husband was involved in a car accident in 2007 and ever since has been going through countless medical assessments, in particular the ones for his cat declaration. We are now in our sixth year. Our 16-year-old twin daughters need counselling, and I need counselling, because we are all emotionally hurt.

My husband needs so much treatment and rehabilitation, recommended by experts, and yet we have to wait now for the arbitrator at FSCO to decide whether Jörg is catastrophic or not—and only because the four insurer doctors say he's not, questioning all other numerous experts who say that Jörg is catastrophic. Jörg has been disabled and absent from his business and all social life ever since the accident. The consequence is that his family—our daughters and myself—is too. We do not do anything, because Jörg cannot and we do not have the money.

By the way, Jörg and I were the founder and executive of Mövenpick Marché for 28 years. We enjoyed a wonderful and busy life. It was not his fault being T-boned by a young driver.

What the insurers do to the claimants is shameful. What is obvious is that the truth is, we are at the mercy of the insurance companies, their counsels and doctors, and they starve us. They starve us.

We have lost everything by now—all of our RRSPs; we just lost our house, any savings and more. Not only

have we been totally isolated, but we are financially ruined.

Only with the support of family and friends are we making it; otherwise, we would have to live in a shelter. Not even our friends in prison have to go through this because someone—the government—is concerned about them to provide proper food, entertainment and shelter with heat.

No one can ever imagine what it means to live such a life. We have been hounded by creditors. They deserve to be paid. We can't pay because insurance doesn't pay. I have one court date after the other. I sit in court every two days. We are exposed to summary judgments. This is different from what we were before. It is absolutely horrible, and I cannot understand why we have to go through this. Who gives the insurers the right to deal with victims that way? There's no explanation and no excuse.

The insurer's self-serving delay tactics by questioning Jörg's integrity, by ignoring the numbers and specialist assessments, by declining treatments and payments, is insulting, wrong and harmful. They wait the victims out financially and morally until they give up and throw in the towel, pass away or depart any other way this life before any settlement or award was achieved, or just face the financial reality of being ruined.

The only solution, in my view, to ensure protection, is that the insurers must step up and pay the victims a monthly allowance to continue their financial lifestyle until all is settled.

Regarding the catastrophic declaration, there's only one way to approach this: to protect the victim as a whole and stop questioning highly qualified medical experts when they determine that the victim is catastrophically impaired. I urge you today—and I thank you for listening—to stop ignoring the victims and include them in your decision-making. They deserve your fullest attention.

Thank you for listening. I will pass it on to Rhona now.

The Chair (Mr. Kevin Daniel Flynn): Just so you know, Rhona, you've got about nine minutes, almost 10 minutes, left to go.

Ms. Rhona DesRoches: I can talk fast. I'm Rhona DesRoches and I'm the board chair of FAIR. What's wrong with auto insurance in Ontario? Well, ask any accident victim such as Marianne. It isn't just about premiums; it's about the quality of the coverage we get when we really need it.

It seems to be entirely lost on the government that a significant chunk of the increased auto insurer profits that it wants to claw back from insurers as a premium reduction is the result of the wrongful denial of policy benefits to some of Ontario's most seriously injured and sometimes catastrophically injured accident victims.

As of January, Ontario has just over 28,000 people waiting for mediation or arbitration. This is unacceptable. Consumers are being sold a product that we are legislated to purchase, one that holds the promise of security after a

car accident, but only works for about half of the people when they need it.

In 2010, insurers limited claims for minor injury to \$3,500, down from a previous level of \$100,000, and now 85% of accident victims find their benefits capped at this level, even those with serious injuries. Adjusters are denying claims without a physician, and in effect are taking over the role of a medical practitioner, a role for which they haven't been trained.

There is concern with the proposed changes to the catastrophic impairment guidelines. The cat impairment panel's own reports reflect that their understanding of catastrophic injury was very limited. Some of the panel members did not agree on a very important question. When asked about paraplegia or quadriplegia, two of the eight-member panel did not agree that those injuries met the criteria of catastrophic.

For Ontario's seriously injured accident victims, this panel response to a simple question is just not acceptable, and it calls into question every recommendation that this panel has made. The superintendent himself noted that the panel had trouble understanding the issues, and yet he's made no move to strike another new or more qualified and balanced panel.

Our Liberal government seems intent on pushing through the anti-fraud task force recommendations. In the process, they too have quickly adopted the estimated fraud figures. In fact, Mr. Gorbet, who chaired the anti-fraud task force, testified last spring, I think to this committee, that the task force could not find any research they thought was credible to base the fraud amount on. So the unfair reduction of treatment and benefits continues without foundation and serves only the insurer's needs. What is Ontario getting in return? We're getting a significant download of expenses to the taxpayer through our social programs such as OHIP and welfare, and now people have nowhere to go. They have nowhere to go for assistance, they are without treatment and they are impoverished.

Underlying these problems is one that has existed since no-fault was first implemented, and one that would exist even if we were to turn to a public system today. The wrongful denial of policy benefits to injured claimants based on shoddy independent medical exams, or IMEs, is a big problem for us accident victims. Even the president of the Canadian Society of Medical Evaluators recently wrote that the Ontario auto insurance IME domain is at risk of public scandal due to the inferior quality of "amateurish, biased and fraudulent" medico-legal assessments. You don't have to take FAIR's word for this; IME reports are described by arbitrators at financial services as "inaccurate, failed, misleading, defective, incomplete, deficient, not correct and flawed." Could it be any clearer that there is an issue with these IME reports?

These are reports that insurers routinely rely on, knowingly or not, to disqualify many legitimate claimants. Highly vulnerable accident victims are captive consumers of these IMEs or independent medical assessors.

If injured auto accident victims fail to submit to these insurer examinations, their policy benefits are suspended and they are forced to pay a fine of \$500.

Shouldn't these assessors come as advertised by the auto insurers: highly qualified, completely impartial and well-respected by their licensing body? Is it fair for auto insurers, financial services, the colleges and the assessors to hide secret college cautions related to previous flawed assessments from vulnerable accident victims?

The college and the Minister of Health have stated recently that in the interests of public safety, the college needs to disclose the names of the private clinics that have failed inspections. If willing consumers at clinics deserve this sort of transparency and disclosure, why, then, are auto accident victims being denied the same? Why can't Ontario auto insurers annually disclose the amount each assessor has been paid? This is done in British Columbia so the public will be alerted to the potential for bias when assessors become completely beholden to auto insurance. This is happening here: not the disclosure, but being beholden.

A "three strikes" method of purging the insurance system of biased or substandard IMEs was proposed and ignored. This would require that the colleges do their job of oversight in a more transparent way, and this would protect accident victims from dishonest practitioners.

Ontario's accident victims deserve better. Our regulators should be ashamed that vulnerable accident victims are so ill-protected. The question now is, what are we going to do about it? Insurers have pocketed a lot of money as a result of these changes in 2010—about \$2 billion in savings last year alone and an estimated \$4.14 billion in the P and C insurance industry this year. Think about what these savings will do to our public safety net. Accident victims don't just disappear; they just get kicked to the curb. But someone still has to pay. We'll pay through welfare, and we'll pay in other ways.

I hope this panel takes an interest in what's happening to auto accident victims. We matter, and we shouldn't be treated like this. It's shameful, absolutely shameful.

The Chair (Mr. Kevin Daniel Flynn): Thank you very much. We've got about three minutes left, and the questions this time go to the NDP. Michael?

Mr. Michael Prue: I remember arguing about this bill a couple of years ago. I made a statement, and I never forgot what I said: Any fool can sell an inferior product for less money. We were talking about the insurance industry at that point. Liberals were so darned proud of what they were doing, reducing all the benefits, and I remember the finance minister standing in his place and talking about this as well. Well, this has come home to roost.

I heard the first deputant say they didn't like the NDP position on trying to give some of that \$2 billion back. Obviously, you want that to be spent on the victims. But how do we spend that on the victims when the policies they've signed say they're not entitled anymore?

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Ms. Rhona DesRoches: It's a bit like throwing the baby out with the bathwater. At this point, it's a series of

band-aid movements: "Let's fix this little area and let's fix that area." What we've done is left really vulnerable citizens open to an unfair situation.

I really think with \$2 billion, you can still reduce the cost of premiums. No one so far has really looked closely. I know the Auditor General was already in to the auto insurance industry in 2011, and he has said recently that he's going back in June. Someone needs to dig into those numbers because when they had it reduced, what they were saying was that insurance claims in Toronto were costing \$56,000. We don't know what those numbers actually mean. Is that the cost of the representation? Is that the actual cost of treatment? We don't know.

We need the Auditor General to get right in, get down, get dirty and find out. What we've got here now is not really worth saving. I made some suggestions here, but the bottom line is that we need to work on this.

Mr. Michael Prue: Okay. You don't have to convince the NDP about this; you don't. But when I asked the insurance guys the other day—they were here in the Legislature—what do you mean by "There's so much fraud," the examples they gave me of fraud were chiropractors and doctors and people recommending all kinds of treatments that were unnecessary. That was the fraud. It wasn't the fraud that I understand, people faking accidents and other things. The fraud they thought was in the system was the professionals recommending things that weren't necessary. Would you comment on that?

Ms. Rhona DesRoches: Well, I would agree. A lot of this comes through the IBC, the Insurance Bureau of Canada. They work for insurers, so it's in their interests to make us believe that fraud is everywhere, and there is a little bit of it everywhere. But a year ago, the fingers were being pointed directly at auto accident victims.

Anybody who has been in this system—and Marianne will attest to this: It's very difficult to get payment for treatment. It's very difficult to get income replacement benefits. In my own experience, and I have a husband who was seriously injured, it took nine years. The amount of time that it takes to get what you deserve is far too long, and when the insurers are continually pointed at fraud—and it's unsubstantiated. There's always going to be a little bit of it. We can't stop it all. But when you start doing the math with \$2 billion, it just doesn't add up.

The Chair (Mr. Kevin Daniel Flynn): Thank you very much for being here today. You were listened to. I think everybody who heard the presentation understood what you were talking about. Thank you for being here.

Ms. Rhona DesRoches: Thank you.

Ms. Marianne Reichert: You're welcome and thank you.

Mr. Michael Prue: And by the way, Mövenpick is a great restaurant.

ONTARIO HOME BUILDERS' ASSOCIATION

The Chair (Mr. Kevin Daniel Flynn): Our next delegation, then. We go on to the Ontario Home

Builders' Association and Joe Vaccaro and your colleague, who I'm sure you'll introduce for Hansard. There's 15 minutes, Joe. Use it any way you like. If there's any time for questions, it'll go to the Liberals.

Mr. Joe Vaccaro: Good afternoon, and thank you. My name is Joe Vaccaro and I serve as the chief operating officer of the Ontario Home Builders' Association. I'm joined today by my colleague Mike Collins-Williams, who is the director of policy at the OHBA. We submitted a formal document to the Ministry of Finance back in February.

OHBA is the voice of the new housing, development and professional renovation industry. Our association includes 4,000 members organized in a network of 30 local associations across the province.

The residential construction industry supports over 325,000 jobs, paying over \$17 billion in wages and contributing over \$40 billion to the provincial economy.

Ontario has become a tale of two markets. We have a strong high-rise sector, where robust condo sales in the GTA in the past couple of years are now translating into actual construction. All those cranes on the skyline represent jobs. In fact, in Ontario, we've hit the mark of over 50,000 multi-unit starts for the first time since the 1970s. Those aren't just Toronto condos. There is a growing shift towards intensification in communities across the province.

But many communities in Ontario, especially those with a manufacturing base, have not fully recovered from the recession. When consumers are not confident, when they don't have a job or lack job security, they don't buy a new home or renovate their existing home. This is why our deputation today is going to focus on the economy, job creation and ensuring a fair, transparent and evidence-based planning process.

Mr. Michael Collins-Williams: Thanks, Joe.

We believe that a broad-based, consumer-focused tax credit, similar to the expired federal government's home renovation tax credit, is the best method to deal with the problem of the cash economy in the renovation sector. Fundamentally, this is a problem that is best dealt with through a regulatory system that catches these underground operators, alongside a plan to address the consumer demand for cash renovations.

Related to this is the Healthy Homes Renovation Tax Credit, which OHBA strongly supported, that offers a rebate to seniors to age in place by making accessibility-related retrofits. We believe the Healthy Homes Renovation Tax Credit has the added benefit of fighting the underground economy.

Underground operators don't pay WSIB, they don't pay corporate taxes or personal taxes, and they often don't even receive building permits. This is a huge problem, and the government is literally losing out on billions in revenue, and the consumer is not protected. We believe that the receipts generated from tax credits provide the Canada Revenue Agency with a wealth of data that could be used to cross-reference those companies with WSIB information and building permit data, to catch underground operators.

We strongly encourage the provincial government to provide more broad-based incentives for consumers to help fight the underground economy.

Mr. Joe Vaccaro: OHBA responded favourably to last year's budget, as it made significant investments in core infrastructure with the announcement of a new three-year, \$35-billion commitment. We expect that this year's budget will maintain that commitment, as it is absolutely critical that the province continue to support job creation to ensure a sustainable recovery. OHBA believes that the strategic infrastructure investment helped enhance quality of life, economic prosperity and productivity.

The provincial government should focus on core infrastructure investments. Roads, bridges, water, waste water, and transit leverage additional private sector jobs and investment while improving productivity. The government's award-winning Places to Grow plan is a road map that identifies where those core infrastructure investments need to be made and where the municipal, regional and provincial government have planned for future economic expansion to accommodate Ontario's growing population.

Places to Grow is more than a planning document. It really is an economic development strategy that serves to align local and provincial population and employment realities into land-use planning decisions, supported by the necessary core infrastructure.

The full potential of Places to Grow has not yet been achieved. Once achieved, it will create complete, sustainable and investment-ready communities.

Mr. Michael Collins-Williams: We'd like to briefly speak about why the OMB is an essential piece of the broader planning framework in Ontario. OHBA supports the principle of a strong role for the OMB to uphold the provincial interest in the planning review process in Ontario. The development industry—and for that matter, any applicant, including non-profit agencies and social housing providers—needs an OMB that is independent and impartial. It must be prepared to make decisions based on the provincial policy statement, provincially approved growth plans, the Planning Act and the merits of the development application itself. Without a strong and independent OMB, provincial policies and objectives outlined in the provincial policy statement and Places to Grow could be compromised.

The right of appeal of the municipal council decision—or, where no decision has been made—to the OMB is an important counterbalance to the political pressure created by local residents on their councils. It is also important that this venue is available to proponents, neighbours, community associations and other interest groups who have participated in a public planning process, to ensure that they have an opportunity to raise legitimate concerns with respect to planning issues.

The OMB provides a venue for sober second thought on planning decisions. The benefit of expert testimony, when relevant, will continue to ensure that provincial policy is adhered to within the planning process.

This government has been very active in reviewing and updating provincial planning regimes. The greenbelt, Places to Grow, an updated provincial policy statement, the creation of Metrolinx and many more planning reforms have changed the way development applications are prepared and the process by which they are approved.

What is important to understand is, once an application is submitted, it now goes from an extensively researched and prepared planning application, responding to all the various planning tests, requirements and studies that a municipality puts out, to a political document voted on by council. It is at this point in the process that the local political aspects and concerns potentially begin to undermine the planning and research that supports the application.

As a member from Waterloo once told me, every application, regardless of the level of research, consultation with municipal staff and elected representatives, the number of public meetings and the planning merits of the project—every single application comes down to a political vote. This is why the OMB is so critical to providing the necessary administrative justice function in the development approvals process. Ultimately, it serves to depoliticize the application, and bring it back to the provincial and municipal policies, required studies and research, and principles of good planning to be judged against. Proposals live or die at the board, depending on the strength of the planning rationale to support them.

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Hearings allow for debate and comprehensive review of the planning merits of that case which cannot occur at council meetings. This provides considerable value to the public good.

Mr. Joe Vaccaro: Now, you may ask why we are raising the role of the OMB at the finance committee. Just as growth planning through the province's award-winning Places to Grow plan is an economic development plan that serves to organize the efficient use of infrastructure, OMB decisions and its ongoing role in the approvals process can serve to unlock the economic potential of various locations.

There's more to say about the OMB, but we believe it is important that members of this committee understand and appreciate the economic impact of the OMB. The OMB serves to adjudicate planning decisions, but those evidence-based decisions can create places where businesses can grow, where people can live and that have a positive economic impact on the province.

The last item of our deputation is a policy that is already in place in BC that would improve housing affordability and support northern Ontario's forestry sector. Amending the Ontario building code to allow for six-storey wood structures would provide more affordable housing options for consumers by facilitating more mid-rise buildings. These mid-rise buildings provide for more intensive use within existing neighbourhoods at a scale that contributes to family housing within transit-oriented, mixed-use communities.

OHBA is working with the Ministry of Municipal Affairs and Housing with respect to all the necessary

background research to ensure fire safety, and we look forward to discussing this concept further with all three parties in the future. We present this item as another economic opportunity the committee should be aware of, as Ontario can become a North American leader in wood structures.

In closing, I'd like to highlight that 2012 was a strong year for housing. Housing starts were, in fact, 10,000 units above the Ministry of Finance's forecast in last year's budget, meaning our industry delivered thousands more jobs and millions more in tax revenue than anticipated. Unfortunately, the positive trend is not expected to continue, with CMHC forecasting a 20% decline in housing starts to 60,000 units in 2013.

I'd like to thank all of you for your attention. OHBA looks forward to working with all parties to ensure and support a strong and prosperous Ontario economy, and we believe new housing and renovation are a key component to those outcomes.

Thank you very much.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Joe, and thank you, Michael. You've left about six minutes for questions. Steven?

Mr. Steven Del Duca: Sure. Thanks, Mr. Chair, and thanks to the folks from the OHBA for being here.

You did mention both in your deputation and in the report that your association is supportive of the Healthy Homes Renovation Tax Credit, which is great news. I'm just wondering, have you heard, either anecdotally or otherwise in terms of any analysis, what kind of uptake there has been on that? What are you hearing from your association members regarding that?

Mr. Joe Vaccaro: Well, I would share with you this: A number of our local associations run local home shows. Now, as a key feature of all their home show booths where they provide free renovation information, they are taking advantage of the ministry's pamphlets that promote this specific use. I know our members who specialize in this accessibility space, if I can put it that way, have come to say that consumers are walking in and asking about the actual tax credit, asking about the functionality of it, how it works and all those pieces. So we have been very active, working with the Ministry of Finance and others, to sort of help create I would guess a consumer-friendly piece that can help better inform them.

Anecdotally, what I would say is that traffic around that issue at local home shows has been very high. Of course, this is a new tax credit that has just come in, and we expect to have some better data to share with everyone next year.

Mr. Steven Del Duca: Thank you. You mentioned the building code revisions around allowing for wood construction for six storeys. I'm just wondering, what other jurisdictions in Canada—how does Ontario currently compare? Are there other jurisdictions where that's permissible at this time?

Mr. Joe Vaccaro: In Canada specifically, the leader on this is British Columbia. They moved that regulation I believe about three years ago. Since moving it, they have

seen a strong growth of that construction type, if I can put it that way, in Vancouver, with well over 120 construction buildings approved, about 45 under construction at this time.

What they have learned in BC, which I think is of value here in Ontario, is that this sort of construction creates a much more affordable construction type, which means ultimately that when it comes to families looking for 1,000 square feet worth of living space in an urban centre, there's an opportunity to purchase that space now in a much smaller unit, which is much more family friendly, at a price point that makes sense.

The challenge I think we have as our Toronto local, engaging these conversations in Toronto, is this idea of how do we keep families in the downtown core? The challenge there is that when you move to concrete-based construction, the cost is not going to go down. Whether you're building that unit in Toronto or you're building it in Barrie or you're building it in Brampton, the core construction costs haven't changed, so there's an opportunity by providing the wood option within those safe confines of the building code and fire safety that does actually create an affordable price point for families who do want to live in 1,000 square feet in an urban setting with all the amenities and the opportunities that come with that.

So my answer to you is, BC's already way ahead of us on this. They're taking full advantage of their leadership position on this file. They've been at it for a while. It's also been approved in other jurisdictions, many across Europe, including the UK, and in many of the Scandinavian countries, if I can put it that way. This has been a long-standing practice. The last location I would identify is Seattle. Seattle's had six-storey-plus wood structures in place for over 20 years.

We understand there's an ongoing discussion around the fire safety aspect of it. We're engaged in that discussion. We're going to bring evidence and data forward so we can have a mature conversation about it and determine exactly what we have to do in Ontario to provide this opportunity moving forward.

Mr. Steven Del Duca: Thanks very much.

The Chair (Mr. Kevin Daniel Flynn): You've got about two minutes, Soo.

Ms. Soo Wong: A quick question: Did I hear you correctly to say that you do support the OMB? Maybe there's a need for some changes, but the structure of OMB—you believe that's important for development in Ontario?

Mr. Joe Vaccaro: We have always supported the concept of reforming the OMB, and we support it in the concept of, clearly every agency can improve the means by which they communicate and the process by which applications make their way there. But I think it's important to understand that when an application makes it to the OMB, it's because somewhere in the planning process there was a failure, and whether the failure was on the applicant's side—and when I say “failure,” that's a bit of a subjective word, but a failure that has led you to this point.

What I would suggest is, there are opportunities to reform the OMB, but the principal purpose of the OMB—to be a non-political decision adjudicator on these issues—is essential in our mind, because we all recognize, I think quite openly, that the pressures of our local councillors to deal with an application really fall within the world of political re-election, really fall within the world of local activism. The challenge is always—and this is what I'm always struggling with—that when members or applicants bring forward their applications, there is a series of very clearly defined tests in place that have to be dealt with, and those tests are being dealt with through the public meetings that have to take place and the studies. And somewhere along the way, for whatever reason, the pushback, whether it's legitimate—in our mind, legitimate could be some planning rationale or not—does fall to a political vote.

I think Michael puts it best, but ultimately that application falls to council for a political vote, and in that context, you need an adjudicator to look at that and say, “All right. From a planning rationale, does this make sense?” So we'll always support the position of the OMB, but we recognize that for an application to get to the OMB, in our mind there was clearly a failure in the planning process. That's why it ended up at the OMB.

So, are there opportunities to reform the planning process? Are there opportunities to reform the OMB? There are always opportunities. If we can be honest about the conversation, if we can be honest about the evidence and if we can be honest about our intentions to get us there, then I think there is an opportunity, and it's always OHBA's position—

Ms. Soo Wong: Thank you.

The Chair (Mr. Kevin Daniel Flynn): That's wonderful. You've got five seconds left. You probably don't want that. But thanks for being here, Joe and Michael.

Mr. Michael Collins-Williams: Thank you.

Mr. Joe Vaccaro: Thank you very much.

CERTIFIED GENERAL ACCOUNTANTS OF ONTARIO

The Chair (Mr. Kevin Daniel Flynn): Our next delegation is from the Certified General Accountants of Ontario. Ted and Puneet, if you'd come front and centre.

Ted, Puneet, like everybody else, you get 15 minutes. Use that any way you see fit. If there's any time left over at the end, the questions this time will come from the Conservative Party.

Mr. Ted Wigdor: Good afternoon, Mr. Chair, and members of the committee. Thank you very much for allowing us to be here. My name is Ted Wigdor. I am the vice-president of government regulatory and corporate affairs with the Certified General Accountants of Ontario. With me is my colleague Puneet Luthra, the director of public policy and government relations. On behalf of our members and students, it is our pleasure to

be giving you some of our recommendations as you deliberate on the upcoming budget.

For those of you who may not know, we are the self-governing provincial professional authority responsible for the accreditation, regulation and continuing professional development of certified general accountants in the province of Ontario.

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We operate under the provisions of the Certified General Accountants Act, 2010, the CGA Ontario bylaws and our code of ethical principles and rules of conduct. Our mission is to ensure our members merit the confidence and trust of those who rely upon their professional knowledge, skills, judgment and integrity, while advocating the use of their professional expertise in the public interest.

We currently have 22,000 members in Ontario and 9,000 students in our program of professional studies. Our members and students work in all sectors of the economy, including hundreds and hundreds working right here for the Ontario government.

As you all know about the current economic environment, we certainly note that the deficit for this year is projected to come in lower than was initially projected, so down to about \$11.9 billion, which is both good news and bad news. The good news is that it has gone down from what was projected at the beginning of the fiscal year, but the reality is that it's still \$12 billion more in added debt that needs to be paid off at some point in time.

The economic recovery is still ongoing. We're not on solid ground, but we're not in a recession either. GDP growth is expected to be below 2% this year, and there is still persistently high unemployment. So we recognize that these are still challenging economic times. With that in mind, we have four recommendations.

First of all, we want to focus on the deficit and the overall debt. As we've stated in previous years, we believe it's very important that the government continue to focus on returning to a balanced budget. While there is good news that the deficit is coming down more quickly than anticipated, we can't rest on our laurels and we must not veer from the target of returning to a balanced budget by 2017-18.

More importantly, that is just the first step in the process. We must focus afterwards on trying to reduce the overall debt, because once we return to a balanced budget we will still have overall debt of close to \$300 billion. We don't need to count into a per capita amount what each Ontarian holds or is responsible for, but think about it in terms of your own individual mortgage. You don't just want to pay off the interest each year; you want to pay down the principal so you can have your asset free and clear.

While interest rates are relatively low, we want to ensure that we capitalize on that. Because if we don't pay down the debt, then we risk being in a situation where our credit rating could fall, thereby making the cost of borrowing that much more difficult and more expensive.

That's why I say that a balanced budget is the first target, but it's not the only target. We must reduce the overall debt.

With that, there are ways in which this can be accomplished. We're not suggesting slashing and burning of programs, but we'd like to have the growth of expenditures at a moderate pace below the rate of GDP growth and below the rate of CPI. We'd like to keep it at 1%.

If you look at the provincial auditor's report, there are some examples by which savings can be found. For instance, the provincial auditor referred to unpaid taxes that haven't been remitted. We need to focus on delinquent taxpayers. There's \$1.5 billion to \$2.5 billion out there that can be collected. That's relatively low-hanging fruit, if you will. There are also recommendations within the report about value-for-money audits that can be used to identify if a program or a service can be delivered with less cost and greater efficiency.

With that, I'd like to segue into our second recommendation, which is about alternative service delivery; that is, a transfer of responsibility for the delivery of a service to non-government operators. This could be in the private sector or the not-for-profit sector. It allows for leveraging the expertise of those service providers while allowing the government to focus on what it does best, and that's public policy development and the direction that public policy should take.

This is not a recommendation to privatize government assets; this is not a recommendation to change the Canada Health Act. There is no intent to rip up collective agreements, bust unions—nothing along those lines. The reality is the exact opposite. Alternative service delivery works best when there's a strong partnership among government, the service provider and labour groups. Otherwise, there is a risk for failure. You can have bad alternative service delivery if you don't go in with that strong relationship, working together.

We are currently working on a research paper with the Ontario Chamber of Commerce on this topic. We expect to have this released within a few weeks. That paper will have some specific recommendations on how alternative service delivery can be delivered in Ontario that will improve efficiencies, not sacrificing the quality of services that are being delivered, but they can reduce costs at the same time.

The third recommendation is investment in public transit. This has been talked about in the news recently. We know the Toronto Board of Trade came out with a report earlier this week. We believe that it's critical that we have dedicated funding for public transit and we believe that this is both sound social and economic policy. Any new public transit projects should be part of an overall regional public transit strategy.

The focus in the media has been on the GTHA, and that's probably where the biggest need is, but I don't want this to sound like this is a GTA-centric recommendation because other large municipalities in Ontario can probably benefit from increased public transit.

What we recommend is that the government do an analysis of the benefits of a variety of revenue tools that

are available. The Toronto Board of Trade years ago had listed 16 potential revenue streams, and they highlighted four of those in their report. I think it's important that we do an analysis to ensure that the right rate of that revenue stream is put in place so that you'd get the maximum benefit and that you'd have the proper behaviour. As an example—and I'm saying this purely for illustrative purposes—if you put a 25-cent toll on the Gardiner Expressway, for instance, that won't divert people from taking the Gardiner. It will generate some revenue, probably not a lot, but there won't be a change in behaviour. You make that \$25 and chances are you're going to have everybody move off the Gardiner and onto the 401, which is obviously not good behaviour either, because you won't generate the revenue and you're going to clog up the 401. So it's important that you strike the right balance, generating the revenue you need, trying to divert people to use transit and using the funding to improve public transit.

With that in mind, it's critical that if the government were to explore these revenue streams, you enshrine in legislation that that money is going directly to fund public transit and it doesn't go into consolidated revenue—because once it does you never know where it's going to end up being spent. So it's critical that it goes directly to public transit. Of course, to the extent possible, try to engage other levels of government in this public transit investment, because this is, like I said, both good social policy and, more importantly, good economic policy that we have a strong, regional, integrated public transit system.

Finally, I'd like to talk about support for innovation and growth-oriented small- and medium-sized enterprises. As we all know, SMEs are a fundamental component of the Ontario economy. Some of our recommendations really focus on those growth-oriented small and medium-sized enterprises. The Jobs and Prosperity Council recently came out with some recommendations that we think are of potential benefit, such as the global exporter forum and commercialization and innovation voucher. It's important that SMEs look beyond their borders as opportunities to help them grow, and it's important that we create this culture of innovation right in academia as well as in business. We have to foster that mindset of innovation and entrepreneurship so that people can think about growing a small company, incubating it, and helping it grow to become a large player. RIM is obviously one classic example, but it doesn't have to be a company of that size. Any company has the potential, by investing in R&D, to be innovative and thinking of ways in which they can turn their product into greater efficiencies that improve the economy, both for themselves as well as for the economy as a whole.

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We've done a couple of things in this matter. One is that we have invested in an endowed research chair at the Schulich School of Business at York University. The chair is currently held by Dr. Moren Lévesque, and she is the inaugural chair in international entrepreneurship at

Schulich. We anticipate some very exciting research to come from this position.

The other thing we did is that we partnered with the Institute for Competitiveness and Prosperity, that focused on ways in which SMEs can be more entrepreneurial and innovative, and we've brought a whole bunch of copies of that. The paper was released last year; we brought copies for your review. In there, there are some other recommendations that Roger Martin and the authors have put forward, looking at ways in which companies can grow and some tax policy measures that we believe are worthy of debate. I won't go into those details now, because I know the time is limited, but I encourage you to review that paper, if you haven't already, and give those recommendations some serious consideration.

With that in mind, I will pass the floor back over to you.

The Chair (Mr. Kevin Daniel Flynn): Very good. Thank you very much, Ted. You left just under three minutes for questions. Julia?

Mrs. Julia Munro: Yes, thank you very much, and thank you for the presentation. I'd like to just focus for a moment—although all the parts are interesting—on the whole issue around the SMEs, because obviously, as you point out in your paper and I think everyone recognizes, they are the drivers of the economy in so many ways.

But there are a couple of things. I wondered, in what you have done and what you're suggesting, if you've looked at any work on the issue of the mismatch between the skills that people have and the jobs that they have. I think that Dr. Miner, from Seneca, referred to it as people without jobs and jobs without people. We see that with the CIBC material that came out, and so forth. So I just wondered if you have anything specific to say in that area as well.

Mr. Ted Wigdor: Absolutely. Thank you for the opportunity. Dr. Miner's report was very eye-opening in that he projected that within 20 years, there will be roughly a million jobs unfilled because we don't have the skilled people to fill those jobs. As well, we will have a million people who don't have the skills and will remain unemployed. So you're right: There has to be a match between the skills need and the availability.

With that, I think it's important that we look at job training opportunities, not for individual skills right now but thinking about, in the future, what those skill requirements will be. It's important that employers be talking to academia, because academia only knows what it knows, and it will train the best people based on the material it has. But working in partnership with the business community, they can identify the future, and can identify what the skills are going to be and then work with academia to develop the curriculum and content to produce those people. This can be done in university as well as in college; I'm not separating one group of institutions over another. We need to work in tandem, and government can play a role in that.

The Second Career plan to help unemployed individuals get back into the workforce was a good initiative,

but it focused, I think, on opportunities that are short-term, like what are the quick skills you can learn to get back into the workforce. I think we need another program that has a longer-term focus, because it will take more than just eight months or 12 months to get some of those skills that Dr. Miner has indicated in that report—so, thinking about a longer-term training program to help those individuals to get the skills upgrade they need for the future economy.

Mrs. Julia Munro: Can I just throw in one other comment? That is, you don't make reference to red tape. That's one of the biggest problems that small and medium businesses have. Is that part of your—

Mr. Ted Wigdor: Well, you're right, because I don't think that's just necessarily an SME issue. I think all businesses face some red tape, although, given that we are regulators ourselves, we know that regulation is important in some respects.

Mrs. Julia Munro: So do I.

The Chair (Mr. Kevin Daniel Flynn): Thank you for coming today.

Mr. Ted Wigdor: Thank you so much.

ONTARIO ASSOCIATION OF COMMUNITY CARE ACCESS CENTRES

The Chair (Mr. Kevin Daniel Flynn): Our next delegation this afternoon comes from the Ontario Association of CCACs. Georgina, Dan and Melody, if you'd come forward and make yourselves comfortable. If you would each introduce yourselves for Hansard when you speak. Like everybody else, you've got 15 minutes. You use that any way you see fit. This time around, the questions will come from the New Democratic Party. Once you're comfortable, if you'd like to start, the floor is all yours.

Mr. Dan Burns: Thank you, Chair, and thank you for the opportunity to appear at the committee itself for discussion, in addition to filing a brief. You do have material in front of you that we have prepared, and we don't propose to walk through that. You can take a look at it at your leisure, although I would say that if you do have questions about it or comments about it past this particular discussion we're having, we'd be more than happy to talk to you about what's in our submission at another time and place.

I am, by the way, the chief executive officer of the provincial association. I'm joined here today by Melody Miles, who is the chief executive officer of the Hamilton Niagara Haldimand Brant CCAC—community care access centres—and by Georgina White, who is the director of policy at the provincial association. We propose to take a few minutes to speak to you about our notions and our proposals in three parts. We're going to talk a little bit about who we are and what we do. Then we're going to take the material we have submitted and give you the three principal highlights of our proposals for this year, and at the end, talk a little bit about—in the context of those things—where our sector and our place in the health system is going.

I'd like to begin by asking Melody Miles to talk to you a little bit about who we are and what we do.

Ms. Melody Miles: Thank you very much. I am pleased to provide some overview in terms of what CCACs are all about. We play an integral role in Ontario's health care system. We help people get the care where and when they need it throughout the province, and we help people of all ages understand their care options to access home and community-based health services and receive timely and coordinated care at home. Provincially, CCACs serve over 637,000 people each year.

CCACs are catalysts for compassionate and accountable patient care. We seek ongoing feedback from our patients and our health care partners. Nine out of 10 of our patients report they're satisfied with the care that they receive from CCACs.

Our staff are regulated health professionals. They're nurses, therapists and social workers, and we work in partnership with primary care hospitals and other health care providers.

It's because we know the communities that we serve and the resources that we're able to connect patients to the care that they need. We help them, then, remain at home. We help them to avoid hospital admission. We help them to access support upon discharge from hospital and explore long-term-care options, as well as find a primary care provider. And I'll just note on that point that since the Health Care Connect program out of CCACs came to be in 2009, over 134,000 patients have, in fact, been connected with primary care providers.

Today's home care is far more complex than ever before, as you well know. As a society, we're aging, we're benefiting from advancements in health care and technology, and we also have the right to choose to live at home. And as we know, Ontarians are exercising that right.

Each month, approximately 16,000 people are supported to go home from hospital with care from their CCAC. Provincially, last year, 8,700 of these patients each month were discharged from hospital instead of going to a long-term-care home. To do that, many received enhanced care at home with intensive care co-ordination and other interdisciplinary care such as pharmacist, nursing and physiotherapy. As a result of that, 22% fewer people are going to long-term care from hospital. Why is that important? Not only is it better for patients, not only do people want to be home, it is also better for the system, as it supports system flow and it supports hospital capacity so that, in fact, folks who really need acute beds can get them. It's cost-effective, and it provides value for every health care dollar spent.

It costs \$384 per day less to care for a patient with high needs in the community as compared to an ALC bed in hospital, and it costs \$50 less a day to care for a senior with moderate needs in the community as compared to a long-term-care home.

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CCACs are caring for more high-needs patients than ever before. On that point, our budgets, of course, have

increased as CCACs, but you're not always going to see that there's a significantly greater number of folks being cared for. Why is that? Because it costs more to serve people who are medically complex. It costs about \$1,100 per month to care for someone with complex needs at home.

CCACs receive 4.6% of health system funding and spend close to 92% of their budget on direct patient care. Supporting patient choice to be at home does require investment, but it's the right thing to do. By supporting people at home and in the community, CCACs, in partnership with community support service agencies, together have created economies totalling approximately \$210 million over the last three years by shifting care from more expensive parts of the health care system to the community.

On that note, I'm going to turn things back to Dan.

Mr. Dan Burns: Thank you very much. With respect to your direct mandate to consider proposals that are relevant to the creation of the budget for the province this year, I would like to talk about three parts of that.

There are more details in the paper, but at a general level, the first one is funding for the activities that we're directly engaged in. For some time, and in general long-term budget planning terms, we've been part of a commitment to grow funding for health care services to individuals in the community setting at 4% a year. We're alert to the general fiscal framework issues that the province is facing and which you've just been discussing quite recently. We do think that that commitment of 4% growth to support the evolution of our activities is a commitment that should be continued.

We do want to also recommend another element to this year's budget activities. When the CCACs were organized in their present format of 14, five or six years ago, they didn't all start with quite the same budget starting place. There is still, some years later, a degree of inequity among our organizations when it comes to thinking about that question. Some parts of it have been addressed incrementally, but not all of them. We think, at this point in the evolution of the system, this is a good year to make an adjustment to cure that part of the problem, as a second piece of budget-making, as it affects our work and our responsibilities.

The third element of this year's budget for us that we want to touch on is this: Unlike our colleagues in the hospital sector, the way in which our budgets are managed by the ministry and by our LHIN partners is strictly on an annual basis. The hospitals have a three-year rolling framework. That means that the impact of the relationship between budget decisions and volumes, or demand for service, can be carefully managed and evolve in a simple and understandable way. Because ours are only on an annual basis, from time to time we get into crunches locally, which would be an awful lot simpler to manage and be much better for the people we serve if we could manage them in a multi-year framework.

Those are three thoughts directly about our own budget.

We want to spend a couple of seconds on resources for other people that we work with in the community, because we're not an island unto ourselves. As you heard earlier, we're intimately connected with the work of hospitals, long-term-care providers and home care providers. So it's important that the budget also contain support for the growth of funding in the community service sector that operates beside us.

We think it's also important that the budget contain a response to some of the immediate financially related issues that are faced by the long-term-care sector, and we name two in the report.

First, we still don't have, as a health care sector, a solution to the capital financing needs that would let us replace the C bed, so-called designated long-term-care beds. They are an occupancy problem. They have occupancy problems, and therefore we have a problem on our side with the placement process.

Secondly, they also, as we are, are experiencing significant growth in acuity in the people they're serving. We think there needs to be a more sophisticated financing model so that long-term-care facilities that serve a high volume of high-needs individuals are resourced to be able to do that effectively. That also affects our ability to work in our part of the system and place people effectively in the right place. It isn't just about us; it's about a health care system change process that affects the people who surround us and enables us to be effective.

The third recommendation we would like to make is to suggest that it's time to take a bit more of an organized and in-depth look at the role of caregiving in the family, in the home, and the supports that we might better organize for those individuals. We have some now; we've been trying some—you heard the home builders talk about the renovation tax credit; that's one—but as the number of people being supported at home grows and as more of them have more complex problems, we think it's time to take a more systemic approach to their place and role and to figure out how to best support them in the long term.

So three things: funding growth for us—help us with our in-year budget management problems; fund some important activities that are fundamentally important to serving the same communities that we're serving; and let's take a careful look at families and the situation of giving care at home.

Just one minute on where this whole thing is going, because, of course, a budget is just a very short snapshot in time; it's a single year. We're in the middle of a multi-year change in the health system which, at its broadest level, I know has been talked about by all political parties in this province. Keeping the acute care system focused where it's needed, growing the community-based and home care system in a quality and cost-effective manner and doing that step-by-step over a period of time—there may be differences in how you do that specifically, or in the timetables, but broadly in our province there's a consensus that that's what we have to do.

A few years from now, if we keep on this road that we're on, we will have a much larger community of

people being supported at home. If we keep going with the resources, we're going to finish the evolution of our ability to deal quickly with everyone who needs our services. In 2010, the provincial auditor said that there were roughly 10,000 people who were going to get something from the support system but hadn't been quite connected to it. In our last survey, that's about 6,000; it will come down to a much lower number. Will it get to zero? No.

Let me just say a couple of things about the debate about wait times, and then we'll stop. First, just to remind you all, there is no wait time if what you need is nursing services. They happen. The wait time discussion has to do with other supports that can be needed by an individual in a home setting. Not all of those end up being provided quickly, or even as quickly as we'd want, but if the situation is urgent and if it's nursing, they are.

The other thing to say about wait times: It's not all about the same thing. Sometimes you hear people say "wait times for home care" as a single item; it's not, because we're talking about a dozen or more different activities in a home setting. As we all work together to make these services more effective and available in the time frame that we would all like them to be, we all have to remember that we're not actually talking about one thing, but about a suite of things.

Thank you for your time and attention. As I said at the beginning, if you have questions about our documents or material or, frankly, if you just have questions about what the heck is going on and we can help you with it, please call us.

The Chair (Mr. Kevin Daniel Flynn): Well, it's going to have to be in the form of a phone call, because our question time is gone; we've got about eight seconds left. But thank you very much for being here.

Mr. Dan Burns: Okay, wow. Sorry about that; I ran out.

The Chair (Mr. Kevin Daniel Flynn): It's your 15 minutes.

Mr. Michael Prue: And we had some good ones.

Mr. Dan Burns: Bonus.

The Chair (Mr. Kevin Daniel Flynn): That's right. Thank you very much for being here today.

PRIMERICA FINANCIAL SERVICES LTD.

The Chair (Mr. Kevin Daniel Flynn): Okay. Our next group is Primerica Financial Services Ltd.: John Adams, Steven Ellingson and Hande Bilhan. If you would like to make yourself comfortable, you can introduce your colleagues when the time comes, when they're about to speak.

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Like everybody else, you get 15 minutes. You use that any way you like. If there is any time left over—you just saw an incident when there was no time left—the questions will go to the Liberal Party. Having said that, the floor is all yours.

Mr. John Adams: Thank you, Mr. Chairman, and thank you, committee. We appreciate the opportunity of being here today. My name is John Adams. I'm the chief executive officer of Primerica Financial Services. With me is Hande Bilhan, our principal adviser on government relations and regulatory affairs.

I've been with Primerica for 13 years and in this role for 10. I'm also a chartered accountant. In prior roles, I've advised businesses and individuals on financial matters. I have some prepared comments and hopefully some time for questions at the end.

Primerica's main companies are a life insurer and a mutual fund dealer. We have been operating in Canada for 27 years. We distribute our products and services through a field force of financial advisers that is contracted exclusively with us. Our focus is on helping families in the middle-income market secure their financial futures. We recently announced that we have surpassed 10,000 life insurance agents in Canada, with over 6,300 in the province of Ontario. Our agents serve almost 180,000 clients in Ontario, most of them in your constituencies, I'm sure, as are our agents.

We're here today to raise awareness on a very important public policy issue: Ontarians, particularly in the middle-income market, are struggling with growing household debt and poor financial decisions, including the neglect of life insurance coverage. They are in need of more financial advice and more access to financial services, but growing regulatory barriers are hindering sufficient advisers from entering the industry and serving this financially vulnerable market segment.

It has been well documented that Canadians are carrying too much debt, are not saving enough for retirement and do not have adequate life insurance coverage. We believe that a financial adviser can play a significant role in helping families meet these challenges. For many families in the middle-income market, an adviser is their only source for basic financial knowledge and recommendations to meet their financial needs.

Statistics Canada figures recently released show that the Canadian household debt-to-income ratio hit 163.4%. At the peak of the US housing bubble in 2007, household debt to income in that country hit a high of 170%. So we're fast approaching that record.

According to a large financial institution, 65% of Canadians say they either don't have a retirement savings plan or did not make any contributions to their registered savings plan in 2012.

The Life Insurance Market Research Association's most recent Canadian life insurance study found that one third of the Canadian adult population, approximately eight million people, do not own any life insurance. When this fact is considered in the context of ballooning household debt, the public policy consequences can be significant.

Before a family gets further behind financially, we believe they need to meet with a financial adviser to assess their financial needs. There are many benefits for families working with a financial adviser, but three are of

significance. First, an adviser can assist families in making an objective assessment of their financial situation and needs. Second, an adviser can educate families on financial principles that will help them have a more secure future. Third, an adviser can help families with the ongoing discipline to work toward their financial goals and help them avoid making poor choices on financial matters. We believe that financial advisers and the financial services industry have a critical role to play in the overall financial health of Ontario families.

Recently, two important studies have been published that draw a strong connection between a family's financial well-being and working with an adviser. The Center for Interuniversity Research and Analysis on Organizations conducted an academic study called *Econometric Models on the Value of Advice of a Financial Advisor*, which found that the presence of a financial adviser meant an increase in a household's financial assets. When "identical individuals" were compared, those who had a financial adviser for between four and six years were found to have 58% more financial assets than those who did not. Interestingly, the longer respondents worked with a financial adviser, the larger the benefit it had on their returns.

The Investment Funds Institute of Canada—the mutual fund industry association—prepared a report called *The Value of Advice*. It demonstrates that a financial adviser helps families navigate the numerous financial products, vehicles and plans in order to find solutions that fit their needs. This results in those families being better prepared for their retirement.

As many consumers do not normally reach out to advisers, the industry must reach out to them, especially those with moderate incomes, little or no savings, and too much debt. Many middle-income households are more likely to be without financial advice compared to high-income individuals. A recent PriceMetrix report pointed out that advisers are opening fewer new small household accounts, having less than \$250,000 in investable assets, and instead are focusing on opening larger ones with \$1 million or more. In addition, the current group of advisers is aging rapidly and not enough new advisers are being developed to meet anticipated demand.

As such, improving the financial health of Ontario families starts with more agents being available, particularly those willing to work in the less lucrative markets, such as moderate-income families, and typically work with products for smaller accounts and smaller face amounts of insurance. Properly servicing the market requires advisers and companies to work very efficiently and minimize costs.

It is our view that government and industry need to work together to increase access to financial advice. The federal Task Force on Financial Literacy recommends that governments, in partnership with stakeholders and industry, help Canadians become better informed about the role and benefits of financial advice, as well as about how to choose a financial adviser.

Financial services is a highly regulated industry, and rightly so. Regulation is important both for the protection

of consumers and to maintain confidence in financial markets, companies and distribution channels. However, as we have noted, access to financial advice is also important, and that is why we believe that financial services regulation should maintain a balance between protecting consumers and not creating barriers to advisers with unnecessary regulatory requirements that have no proven consumer benefit. The government should implement strategies to increase the number of financial advisers in the market, which will help reach those middle-income families who need advice the most.

For Primerica, the availability of agents is particularly important. Our business model differs from that of many other financial institutions. We focus our efforts entirely on the middle market. We offer simple, low-cost term insurance and mutual funds. We have a dedicated sales force of agents who sell only our products. We have found that the middle market responds best to face-to-face contact with an agent whom they trust, and this can be especially true for new Canadians who often find more confidence to discuss financial matters with someone within their own culture. We are also focused on bringing new advisers into the industry, including young people, who are often in the best position to help other young people start off on a sound financial footing. We give people the opportunity to build their own business as entrepreneurs.

The financial security and independence of middle-income households is crucial, as they will become less reliant on government services in their retirement years and protected if they suffer the death of a wage earner. This ultimately helps the government to deal with the mounting fiscal pressures of an aging population. We believe the financial services industry, and financial advisers in particular, have a critical role in addressing these important issues.

We encourage the current budget process to recognize this critical public policy issue and the importance of a healthy and growing financial advice industry. We are not asking for new tax support or spending programs. There are two things we are asking you to consider: first, that regulations introduced are proven to provide consumer protection and are balanced with the need for financial services companies to carry out their important work; second, that additional attention to ensuring that training and licensing requirements reflect a commitment to increase the availability of financial advisers operating in the marketplace.

In the weeks ahead, we'd be pleased to provide you with specific recommendations pertaining to regulatory matters.

Thank you for this opportunity. We hope you agree that our concerns are worthy of your further attention and, with your assistance, we believe that well-designed regulatory improvements will lead to improved financial services for families that are depending on us and to less reliance on the public purse.

Chair, those are my formal comments. Either Hande or I would be happy to answer any questions.

The Chair (Mr. Kevin Daniel Flynn): Wonderful. Thank you very much, John and Hande. It goes to the government side. Who's going to kick it off? Steven?

Mr. Steven Del Duca: I will, sure.

The Chair (Mr. Kevin Daniel Flynn): You've got just over five minutes.

Mr. Steven Del Duca: Thanks, Mr. Chair.

Thanks for your deputation this afternoon. You talk about trying to encourage government, working with the industry, to try and encourage more individuals to be available to work in the industry. Just out of curiosity, what's the trend been in recent years in terms of people actually coming into the industry and wanting to work in the industry?

Mr. John Adams: It's a tough business, and it's tough to get them into it. The average age of an adviser is in the mid fifties. They're fairly well established and starting to head off into their retirement years. There are few companies encouraging new entrants into the business at a young age. There aren't that many, actually, bringing them in. So we're concerned that the actual number of advisers will start dropping off, as in the rest of society, as the boomers are aging, retiring and going off.

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Mr. Steven Del Duca: Is there something specific you think government can do in the short term to try to encourage more individuals to take on these roles?

Ms. Hande Bilhan: I think removing regulatory barriers is key, so we would encourage government to look at any over-burdensome regulations that prevent individuals from entering the industry, such as licence qualification programs on the life insurance side.

Mr. Steven Del Duca: Thank you.

The Chair (Mr. Kevin Daniel Flynn): Soo?

Ms. John Wong: How much time do I have, Mr. Chair?

The Chair (Mr. Kevin Daniel Flynn): You have got four minutes.

Ms. Soo Wong: Four minutes? I could ask a lot. Okay. On page 7 of your report, Mr. Adams, you talked about working together with the government on the whole issue with the federal task force; you talked about financial literacy. You know our government introduced financial literacy in elementary school and secondary school. Do you see your industry working with different ministries within Ontario to talk about this financial literacy? Because you talk about it, and I want to know what your position is on this financial literacy in terms of educating the students in our schools.

Mr. John Adams: We believe it's extremely important. Unfortunately, until now, there hasn't been a lot of formal education on these issues, which, once you get out of school, become fundamental. So we've built a large part of our business on that. But we believe a well-informed consumer makes good choices and makes good financial decisions, so we are very supportive.

Ms. Soo Wong: Okay, that's what I wanted to hear. Second, you mentioned in your report here that you want

to see an increased number of financial advisers. Currently, how many financial advisers are out there in Ontario? An estimate?

Ms. Hande Bilhan: I think there are roughly 80,000 life insurance agents in Ontario.

Mr. John Adams: And there are about 80,000 mutual fund advisers, and there's probably an 80% crossover or something like that.

Ms. Soo Wong: Okay. I read in your report also that you're asking for—I think on the last page of your report, you indicated that you want more training and licensing. Can you elaborate, because you're talking about regulations; you're talking about protecting the consumers, which is absolutely important.

Mr. John Adams: Of course, yes.

Ms. Soo Wong: So do I hear that you're looking for an independent body to regulate, to license? There's going to be a cost, so where is that going to come from?

Mr. John Adams: Well, there is, of course. It's already regulated, and licensing is regulated. We just want to make sure that there's a balance between allowing new people into the industry and protecting consumers. Absolutely, we need to protect consumers. It's our reputation, and that's all we have as a business—and, of course, protecting the public—but making sure that access is maintained so that we can bring new people in and get them trained and productive.

Ms. Hande Bilhan: Just to be clear, though, we certainly don't advocate a separate independent body.

Mr. John Adams: No.

Ms. Hande Bilhan: We do think that the system is structured appropriately, particularly in Ontario, where the regulator reports, in all essence, to the Minister of Finance. So we don't have an objection to that. We're not asking for an overhaul of that.

Mr. John Adams: No, it's maybe tweaking what's there now.

Ms. Soo Wong: Okay, just tweaking.

Mr. John Adams: Yes.

Ms. Soo Wong: Okay, that's great.

Mr. John Adams: We don't think that involves a lot of cost, frankly, which I know is important to all of you.

Ms. Soo Wong: That's great. Thank you very much.

The Chair (Mr. Kevin Daniel Flynn): Thank you for coming today and bringing your presentation.

Mr. John Adams: Okay. Thank you very much.

ONTARIO AUTOMOTIVE RECYCLERS ASSOCIATION

The Chair (Mr. Kevin Daniel Flynn): We're moving on now to the Ontario Automotive Recyclers Association. Is Steve or Usman here?

Mr. Usman Valiante: I'm here.

The Chair (Mr. Kevin Daniel Flynn): Very good. If you would sit down, sir, and introduce yourself. You've got 15 minutes, like anybody else. You use that any way you see fit. When we get to the question part, if there's any time left for questions, it will go to the PCs this time.

Mr. Usman Valiante: Okay, very good.

The Chair (Mr. Kevin Daniel Flynn): The floor is yours, all yours.

Mr. Usman Valiante: Thanks for inviting me to speak today. My name is Usman Valiante. I'm a senior policy adviser to the Ontario Automotive Recyclers Association.

Before I give an introduction of what OARA is—the acronym for the Ontario Automotive Recyclers Association—I'm here to talk to you today about the use of delegated administrative authorities for enhancing environmental protection and economic development. So I'm going to contextualize that discussion in a specific issue around automobile recycling in the province.

OARA is comprised of 130 businesses that recycle over 190,000 cars a year. They adhere to a code of practice called the Canadian auto recyclers' environmental code. That code has evolved from a national recycling code developed with Environment Canada, and that code was developed for the Retire Your Ride program, which was a national vehicle retirement program that was put out by Environment Canada and ran for several years.

In Ontario, about 640,000 cars reach their end of life every year. About 94% of those cars are recovered and 83% of those cars, by weight, are recycled. However, how those vehicles are recycled is a serious environmental issue and a serious economic issue. Currently, the materials in your blue box have higher environmental standards for recycling than automobiles do. Automobiles are completely unregulated in how they're recycled. So despite the fact that they contain mercury switches, oils and ozone-depleting substances, there's an exemption on end-of-life vehicle recycling under the Environmental Protection Act which effectively creates no standards for the recycling of these vehicles.

As a result, approximately two thirds of those 640,000 vehicles that are generated every year result in a significant amount of environmental pollution. About once every four months, there's a wrecker fire somewhere in Ontario, and the fire marshal's office is called out. The reason for this is that vehicles are a highly recyclable commodity. They're primarily metal, so you can go onto Kijiji, sell your vehicle; someone will pull it into a field, pull all the parts off it that have value, sell those parts, dump the pollutants on the ground and send the hulk for shredding. So it's a valuable commodity. There's a lot of economic activity around it. Unfortunately, without any standards, it's a race to the bottom. Who can process these cars most cheaply effectively makes the most margin.

Given that this is occurring, OARA approached the Canadian Vehicle Manufacturers' Association, which are the domestic auto manufacturers, and the Association of International Automobile Manufacturers of Canada, which are the "foreign" auto manufacturers, and has been working for the last two years to develop a policy proposal for the standardization of recycling vehicles in Ontario. It's a huge initiative. It will impact, again, 640,000 cars a year. It will deal with millions of litres of oil, thousands of mercury switches and ozone-depleting

substances in a number of the materials that I discussed earlier.

The purpose of the approach is to professionalize auto recycling. Of course, properly recycling a vehicle and depolluting it, as we say, is more labour intensive. Hence, it will create jobs. It will result in more parts available for reuse. There's a huge refurbished parts market in Ontario, so when those cars are properly dismantled and marketed, they'll generate economic value. Obviously, it will reduce wrecker fires and also avoid VIN fraud, vehicle identification number fraud. As those vehicle identification plates are taken from stolen vehicles and recycled through the system, a regulated environmental management system would track all vehicle identification numbers reaching end of life in Ontario.

The auto manufacturers like the approach because it's going to result in no new cost to consumers. The value of the vehicles drives the system. From their perspective, they are more than happy to deal now with a regulated industry.

Here's where the problem arises: If we're talking about an environmental standard and no means to oversee that standard, that standard is ineffective. So despite the fact that there's broad consensus, there's also a recognition that the Ministry of the Environment, in adopting new standards regulations that will apply to thousands of entities across the province, doesn't have the resources for enforcement officers and doesn't have resources to oversee this sector adequately, especially as it's going to be newly regulated in the market.

So what we have been talking about is the development of a delegated administrative authority that would oversee the environmental standard applied to the auto recycling sector. That is a critical element to ensure a level playing field across recyclers and to ensure the environmental outcomes and the economic outcomes that we all want to achieve.

Delegated administrative authorities establish an accountability and governance framework between the ministry and a private, not-for-profit corporation that administers legislation on behalf of the government. In this particular case, it would be the environmental standard that I mentioned earlier. The ministry retains overall accountability and control of regulating, but the administrative authority administers the regulation and reports back to the ministry.

DAA's are not—and I can mention two failed organizations: Ornge and Waste Diversion Ontario. Those are not delegated administrative authorities, and their failure is largely due to the fact that they weren't properly convened as DAAs. Where they fail is poorly defined mandates, poorly defined accountability to the ministry and flawed governance structures. A proper approach to DAAs establishes DAAs with full accountabilities to the ministry by assigning objects that specifically circumscribe what that DAA is going to do—again, in this case, managing an environmental standard for auto recycling.

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There's a number of advantages to this approach. It's self-financing. It reduces costs to taxpayers. It has the

ability to link expenditures to risk-based assessment of need and expertise. We'll have experts who are part of the DAA who will understand where to apply effort in improving practices with auto recyclers. It allows that expertise and institutional knowledge to be housed in an organization. It can direct investments to be made in better enforcement, better oversight and better outcomes.

Currently, creating a delegated administrative authority involves invoking the Safety and Consumer Statutes Administration Act. Through that act, cabinet can assign parts of or the whole of legislation to be delegated and the creation of delegated administrative authorities. In last year's budget bill, schedule 11 of that bill offered to create a regulatory process for creating DAAs. Amendments to schedule 11 effectively neutered the ability of that schedule to achieve that outcome.

I guess what we're here to ask today is for a reconsideration of the DAA provisions in last year's budget bill and to make those effective as they were originally drafted. This would allow the creation of DAAs through regulation, would allow the minister to assign objects to DAAs, would create accountabilities to the minister and would allow this particular proposal that is going to both protect the environment and drive good economic outcomes in both the automotive recycling and the automotive manufacturing sectors.

Effectively, that's the ask of this committee: to give that due consideration and put it back on the table and push it forward.

I'm happy to take some questions.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Usman. The questioning this time goes to the Progressive Conservative Party. You've got just about six minutes.

Mr. Michael Harris: Thank you, Usman, for the presentation. I don't know if you can talk about or mention other jurisdictions that are applying this methodology in auto recycling across Canada or even in US jurisdictions and if it's working.

Mr. Usman Valiente: Nowhere in North America. In Europe, they have standards-based approaches.

This initiative would be a first in North America. Why in Ontario it's important to do this is that it's the home of auto manufacturing in Canada, so we've got the entire auto sector behind this initiative.

Some of what's driving that is we've got new vehicle technologies coming out—hybrid electric vehicles, pure electric vehicles. The intrinsic value in those vehicles is quite high. You've got lithium ion batteries and things of that nature. The manufacturers want to deal with a regulated recycling sector to create closed-loop take-back systems for some of those components. So having a regulated recycling industry is critical to the competitiveness of the regulated manufacturing sector.

There's a convention this weekend with the Ontario automotive recyclers, and there are delegates coming from across North America to see what's happening in Ontario on this initiative. It's a first in North America. The best elements of it have been taken from Europe in terms of applying standards and how to administer stan-

dards. So there has been learning from that jurisdiction, but this is really a "first in North America" initiative.

Mrs. Julia Munro: I'd like you to talk a little bit about the delegated administrative authority. If we have the European model on the issue of the recycling itself, what has been the experience, or are you aware of any, on the delegated administrative authority? Does it pose problems, just the creation of that?

Mr. Usman Valiente: That's an excellent question in the sense that how they're created and what diligence is put into their creation in terms of creating accountabilities is critical. So the minister assigns objects and then creates accountabilities for the DAA.

I'll give you an example of a DAA that we don't think about that works very well. Every time you get on a plane and you take off and land, there's a control tower that controls that plane. That control tower and the people who are in it: Their activities are administered by Nav Canada. Nav Canada is a DAA. It's not run by the federal government; it's a delegated administrative authority. Similarly, the Ontario Motor Vehicle Industry Council, the Travel Industry Council of Ontario—there's a number of DAAs that are just ticking along, working well. They have to report annually to the minister, and in this particular initiative, they provide environmental reporting on what happened to these vehicles. They provide reports on vehicle identification numbers, which would be available to the chiefs of police, and, of course, there would be a new standard and accountabilities to the fire marshal's office.

These can all be delegated to this organization to say, "You need to report to me as the minister, but you also need to report to a number of other bodies that have a public policy interest in your activities."

Mrs. Julia Munro: Would you say that this, potentially, is a more complex DAA?

Mr. Usman Valiente: Actually, I think it's a simpler one because it's a very narrow sector—it's an auto recycling sector that you're administering—and a very narrow set of activities, which are environmental management, reporting on the disposition of vehicles and accounting for those VINs back to the Ministry of Transportation, for instance.

Mrs. Julia Munro: What are the challenges? Do we have a lot of rogue operators? Is that a problem?

Mr. Usman Valiente: Absolutely. I mean, as I said, we have a wrecker fire once every three or four months. We have a huge number of recyclers—"scrappers"—that are pulling these vehicles into fields and just pulling them apart and dumping everything.

We also have a fraud issue, where vehicle identification numbers are taken off of end-of-life vehicles and then put onto stolen vehicles. Because the entire vehicle would be tracked right to its final recycling end, the ability to do that anymore would be very limited. Certainly, when I've gone to meet with the chiefs of police, they're very interested in this initiative.

Mrs. Julia Munro: All right. Thank you.

The Chair (Mr. Kevin Daniel Flynn): Thank you very much for coming today.

Mr. Phil McNeely: Mr. Chair?

The Chair (Mr. Kevin Daniel Flynn): Yes?

Mr. Phil McNeely: Have you got any written part of your presentation today?

Mr. Usman Valiente: I only got told about this yesterday, so I will definitely get something to the committee. I have a précis of what I just delivered, probably in a less stream-of-consciousness way than I just delivered it.

The Chair (Mr. Kevin Daniel Flynn): Very good. Thank you very much for coming today. It was appreciated.

Mr. Usman Valiente: Thank you.

ASSOCIATION OF ONTARIO HEALTH CENTRES

The Chair (Mr. Kevin Daniel Flynn): Okay, we're going to move on to the Association of Ontario Health Centres, Jacquie Maund? Jacquie, if you'd like to make yourself comfortable there.

Ms. Jacquie Maund: I do have copies.

The Chair (Mr. Kevin Daniel Flynn): The Clerk will pick them up from you.

Like everybody else, you get 15 minutes. Use that any way you see fit. If there's any time left over at the end or during those 15 minutes, the questioning for you will come from the NDP.

The floor is all yours.

Ms. Jacquie Maund: Good afternoon, everyone. My name is Jacquie Maund, and I'm here representing the Association of Ontario Health Centres. We have 123 community-governed primary health care centres across the province that we represent, and we have a specific mandate to work with vulnerable people, people who have difficulties accessing health care. That might include low-income people, aboriginal people, francophones, people living in rural and remote communities, or disabled people. Some of you may indeed have community health centres or aboriginal health access centres in your riding, so you will be familiar with our model of care. We're the only primary health care model that is funded to provide both health care services and a range of other health promotion and community development services.

We've seen the Ontario health system improving in many ways over the past few years, but we still find from our experience on the ground that too many people have avoidable illnesses and that health disparities are on the rise. We also know from the Drummond commission last year that over 50% of health outcomes are determined by socio-economic factors—people's income and people's education—and those are factors that our current health system does not address well.

Right now, our health system focuses on the downstream approach to assisting people when they become sick. What we want to talk about in our submission for the budget this year is more of an upstream approach: what some strategic investments are that we would like you to consider in your advice to the government that

could be made to improve health and well-being today, to avoid higher costs being made in sickness care in the future.

Our recommendations fall into two categories of upstream investments. First of all, we want to talk about ways to strengthen the primary health care system and leverage the effectiveness of the community health care system model of health and well-being. We also want to make some recommendations around improving the health and well-being of low-income people, who are the most vulnerable to poor health and hence tend to be higher users of the health care system.

Last year in the budget, an increase of 4% was committed to the community health sector for the following three years, which we were very pleased to hear. This year, we're asking that part of that 4% increase to the community health sector be made available to community-governed primary health care organizations to enhance quality improvement initiatives and also accountability measures so that we can better fulfill the initiatives that are set out in Ontario's Action Plan for Health Care.

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We're also, in this budget, asking for a one-time allocation of \$107 million for capital requirements to the Ministry of Health's health capital investment branch to meet capital requirements of community health centres and aboriginal health access centres. Those funds are needed to meet the capital requirements of 15 new community health centres that were announced way back in 2005, but still haven't got the funding that they need in order to be able to move into permanent sites.

This one-time funding of \$107 million would allow our members to serve over 50,000 more people across Ontario. Many of these are people with complex needs and who are high users of the health care system.

We also include in our submission a number of recommendations to streamline and invest in dental and oral health care for low-income people. Thirty-six of our member health centres provide oral health to low-income people without insurance, and many began doing so in 2011 as a result of the new Healthy Smiles Ontario program that was announced.

We commend the Ontario government for including a program that increases access to dental programs for low-income children. It was an important part of the government's Poverty Reduction Strategy. But our experience on the ground has identified a number of challenges that I want to briefly touch on here.

Most community health centres were not provided operational funding by their public health unit to deliver Healthy Smiles Ontario, and a number are encountering operating shortfalls. The income eligibility level for the Healthy Smiles Ontario program was set too low, so many CHCs and public health units report to us that they're having to turn away low-income families because they make just a little above the \$20,000 net adjusted income that's been set. Yet at the same time, we know that dental programs for low-income kids last year were

underspent by \$5 million, and there are still no programs for low-income adults who are not on social assistance.

Our submission makes a number of recommendations around oral health care. Specifically, in terms of our member centres, what we're calling for is that \$1 million of the unspent funding for children's oral health programs be allocated to community health centres that are offering Healthy Smiles Ontario so that they can fully meet their operating costs and serve more people.

We're also asking that \$2 million of the unspent funds for children's oral health programs be allocated to other CHCs and aboriginal health access centres with dental suites so that they can, in turn, better serve low-income adults in particular.

I'd now like to just close up by talking about poverty reduction. Our health centres see first-hand the impact that poverty and low income have on people when they're unable to afford the transportation to get to medical appointments, when they're unable to afford nutritious food. We see the direct impact that that has on people. So we urge the government to continue its investment in Ontario's Poverty Reduction Strategy.

We support the asks of the 25 in 5 Network for Poverty Reduction, which are to allow people to earn more and keep more, and to restore benefits. More specifically, we're asking for the minimum wage to be increased to \$11.50 an hour in 2013, and we support one of the recommendations of the social assistance review commission that says that people who have employment earnings while on assistance should be allowed to keep the first \$200 before clawbacks kick in.

Under the keep-more recommendation, we're calling for the social assistance review report recommendation that suggested that asset limits be increased for people applying for social assistance, and we're supporting the recommendation that single parents on social assistance should be allowed to keep at least 50% of the child support that they receive.

In terms of restoring benefits, we support the social assistance review recommendation that the rates for people on Ontario Works who are single be raised by \$100 a month, and we would like to see a cost-of-living adjustment for everyone else who is on social assistance—but not at the expense of cutting the special diet. We urge the government to keep its promise to increase the Ontario Child Benefit to reach a maximum of \$1,310 per year this year and to permanently index it to inflation.

We recognize, in conclusion, that there are costs associated with these strategic investments. We know that last year, the Drummond commission developed a series of recommendations that advised the government on how to cut spending and on cost-cutting measures.

We urge this committee and the government to set up a similar commission that would look at ways to raise revenue for the Ontario government and to identify options to raise additional revenue to help both balance the budget and make these important health and social investments for our community and society. Thank you.

The Chair (Mr. Kevin Daniel Flynn): Thank you very much, Jacquie. The questioning this time comes

from the NDP. You've got about six minutes. Don't be offended if some bells start ringing shortly and everybody runs out of the room; there will be some votes held. I assure you, we will be back.

Catherine.

Ms. Catherine Fife: Thank you very much, Jacquie, for the presentation; it's a comprehensive report. And thank you for giving us an update on Healthy Smiles as well. I know that our offices receive calls about this issue.

The \$5 million that's been underspent on this program—I think you've made some strong recommendations of where that funding should go. I hope that it still goes towards oral care because, as you've pointed out, it's a preventive measure.

The income threshold being set too low: Do you have a number of families that actually have been turned away because of the \$20,000 price point?

Ms. Jacquie Maund: I don't. The public health units keep those numbers because they are the initial screening category in terms of finding out whether you're eligible or not.

Our recommendation would be that any family in Ontario that currently receives the Ontario Child Benefit should be eligible for Healthy Smiles Ontario. I mean, that's currently the government's definition of a low-income family. So that would be our recommendation in terms of changing the eligibility criteria for Healthy Smiles Ontario.

Ms. Catherine Fife: Okay. Thank you also for detailing the need for operational funding, because that's an implementation strategy, I think, that needs to be rectified.

Mr. Michael Prue: A couple of questions: As a good member of 25 in 5 for all these years, last year, how did the government—we haven't heard whether or not they're on target still. I have my considerable doubts, but can you tell us, are they on target?

Ms. Jacquie Maund: Sure. Each year, the 25 in 5 Network releases our report to track where the government is going in terms of meeting that target. As you may know, the numbers from StatsCan are always two years out of date. My recollection is that between 2008 and 2010, the child poverty numbers in Ontario went down by about 7%. So we would say we're making progress. We're moving in the right direction. We would urge the government to stay on track, to keep making the investments that are needed to reach that target, to cut child and family poverty by 25% by 2013. So keep increasing the Ontario Child Benefit, keep increasing the minimum wage, keep following up on recommendations of the social assistance review commission in terms of ensuring that the poorest of the poor have enough income to live decently.

Mr. Michael Prue: The last two budgets haven't included this.

Ms. Jacquie Maund: That's right.

Mr. Michael Prue: That's really my question. I know where the government was in 2010, but where are they

today? Have you just not done the analysis because you can't?

Ms. Jacquie Maund: What are the numbers for—

Mr. Michael Prue: I mean, here we are in 2013. I think that the whole 25 in 5 dream has stalled.

Ms. Jacquie Maund: The numbers are always two years out of date, right?

Mr. Michael Prue: Yes, I know.

Ms. Jacquie Maund: So we won't know for two years' time. But what we're saying is that we can tell that the investments that were initially made—such as the Ontario Child Benefit, such as increasing the minimum wage—did have an impact. The trend is there. The trend is that the numbers are going down. We're saying good policy works. Good policy makes the difference. Continue investing in poverty reduction. Increase the Ontario Child Benefit. Keep increasing the minimum wage. Those things are making a difference. Don't stop now.

Mr. Michael Prue: Okay. You've made a number of recommendations, some of which will cost the government money in the budget. Raising the minimum wage to \$11.50, I would think, would be revenue-neutral. Would you agree with that?

Ms. Jacquie Maund: That's right.

Mr. Michael Prue: Keeping \$200 before clawbacks, which was in the commission report: I take it that would be largely revenue-neutral as well.

Ms. Jacquie Maund: The estimated cost is about \$60 million for that.

Mr. Michael Prue: Okay. But that's not a huge amount of money, though. It's not a big ask.

Ms. Jacquie Maund: Not in the scheme of the entire size of the budget.

Mr. Michael Prue: Raising the asset limits before somebody can apply for general welfare: It may delay the application in some cases, but how much would that cost?

Ms. Jacquie Maund: I can't estimate that, I'm afraid.

Mr. Michael Prue: I don't think it would cost much, either. And keeping 50% of the child benefits—I tried to write them all down as fast as you were speaking there.

Ms. Jacquie Maund: That would cost about \$50 million.

Mr. Michael Prue: All right. So you're here asking for some considerable investment, some considerable money. The very first deputant today made a huge case, as you might imagine, that no taxes be raised at all, that everything was fine the way it was and that only programs be cut. Obviously you're diametrically opposed to that view.

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You did suggest that there should be a Drummond commission in reverse to look at revenue. Can you tell us where you think some of the revenue might come from?

Ms. Jacquie Maund: Sure. I'm speaking on behalf of the Association of Ontario Health Centres. Identifying tax revenue options is not our expertise, but we know that the Canadian Centre for Policy Alternatives does have expertise in this area. They recently produced a report.

There is an op ed that they published yesterday in the Toronto Star that does identify some of those sources of revenue, so we would point you to that report.

Mr. Michael Prue: Okay. I thank you.

The Chair (Mr. Kevin Daniel Flynn): Great, Michael. Thank you.

Thank you very much for being here today. Thanks for your report.

COUNCIL OF ONTARIO UNIVERSITIES

The Chair (Mr. Kevin Daniel Flynn): We're going on to the Council of Ontario Universities now: Bonnie Patterson. Bonnie, if you'd like to come forward. If you'd like to have a seat, make yourself comfortable. We'll pick them up from you.

You probably heard my spiel. Everybody gets 15 minutes. You use that any way you see fit. If there's any time left over at the end, the questioning will go to the Liberal Party. If the bells start ringing in the middle and we all run out the door, it's got nothing to do with you; it's got everything to do with good government. We will be back to pick it up where we left off and you won't lose any time as a result of that. It's all yours.

Ms. Bonnie Patterson: Well, thank you very much, and I'm pleased to be here on behalf of Ontario's 20 publicly assisted universities as president and chief executive officer of the Council of Ontario Universities.

It is important to be here today. I'm happy to be able to present to the committee some information on the important role that universities are making in the province and our commitment to working with the government in a manner that does recognize the fiscal constraints that are in place.

The Ontario government does have a great deal to feel proud of in terms of its return on investments in our universities. The latest statistics show that 87.5% of our graduates are finding employment within six months of graduation, and 93.1% of them are employed within two years. Despite the economic uncertainty of our times, these are well-paying jobs. University graduates are earning, on average, \$42,403 six months after graduation, more than that for other levels of education in Ontario.

We need this type of highly skilled workforce to successfully address the economic challenges and to be competitive.

Our universities are well positioned to do their part in making Ontario stronger. We are preparing students for the jobs of the 21st century and helping them create their own jobs as entrepreneurs. We are increasing university productivity to make the best use of public funds. We are conducting research that changes lives, advances society and enhances economic competitiveness. We are boosting strong regional economies and ensuring university education is accessible.

Our universities understand the government's fiscal constraints, and as a result we are finding further efficiencies to absorb \$40 million in cuts in this next fiscal year and almost \$80 million the next while protecting as

best we can the quality of the learning experience for students.

We are working collaboratively with Minister Duguid to help achieve a balance that will keep tuition affordable for students while maintaining the high quality of education they have enjoyed.

We hear a lot of talk about the shortage of skilled workers, and the federal government is supposedly taking steps to change that perception in today's budget. But the Ontario government acknowledges that a full 70% of all new jobs will require post-secondary education. A recent report from CIBC listed 25 occupations showing signs of a skills shortage over the next several years. Engineers, doctors, dentists, accountants, managers in health and education, auditors and investment professionals were just a few. Only a handful of those occupations on the list would require apprenticeships while the vast majority would require a university degree.

We are working closely with our colleges and the new Ontario Council on Articulation and Transfer, which we call ONCAT, to build pathways between our institutions and help students meet the demands of the workplace. More than 500 agreements exist that allow students to move from college to university.

Last year, ONCAT initiated 62 bridging projects in the sector. Seven will bridge apprenticeships to diplomas, with 16 college diploma-to-diploma bridges, 25 college-diploma-to-university-degree projects and 14 college-diploma-to-college-degree projects. This is an amazing pipeline under development for our students.

Our people are mobile; our highly educated people are our greatest resource. We must continue to invest in them and keep them engaged in this great province.

Every year, students apply to university in increasing numbers, and this year is no exception. Two out of three post-secondary students choose university. They develop the problem-solving, critical thinking, quantitative reasoning, effective writing and communications skills, as well as the ethical and social reasoning capacity that prepare them for life, no matter which career they choose. They all recognize the benefits of a degree in terms of higher earnings and career potential. This year, the applicant data shows a 2.4% increase for universities.

Seventy-eight per cent of students report that their educational experience was good or excellent. Moreover, university grads have higher employment rates than those with other levels of education, due to the growing number of jobs for them at a time when jobs for others are declining. The unemployment rate for those with a university degree was only 4.8% in 2012, much lower than for those with other educational levels.

Universities are preparing students for their future with rigorous academic programs, greater attention to innovation and skill development, increased online and technology-enabled learning, and expanded workforce learning, with a robust range of career services.

Ontario universities are national leaders in productivity. This includes financial and operational efficiency, and sharing best practices. In 2011, we published a report called *Innovative Ideas: Improving Efficiency at Ontario*

Universities. The innovative ideas it contained set an example for leadership for others in the broader public sector.

The annual *Going Greener* report we produce outlines cost-cutting environmental initiatives universities are taking, including, for example, reducing energy costs through upgrades to heating, air conditioning and lighting.

The productivity of Ontario universities is demonstrated by results. More students are educated at our universities with fewer dollars than at universities in all other provinces. The Auditor General has noted that enrolment in Ontario universities increased almost seven times faster than funding per student. By comparison, colleges received greater increases in operating dollars, while experiencing smaller enrolment increases.

University research plays an important role in the success of Ontario and of Canada. Nine Ontario universities are among the top 25 Canadian universities; 18 are among the top 50 universities. Ontario universities are advancing the frontiers of knowledge and creating new products and services that change our lives and open up economic potential. Ontario university research contributes to better health, a cleaner environment and sustainable communities. We work with local, regional, national and international communities.

Universities are making their communities stronger. They boost the economy through major purchases, and provide jobs and research. Some universities offer free courses for local at-risk youth to engage them in post-secondary education. Others emphasize programs to meet the needs of aboriginal students. Experiential learning connects students to local industries, supporting employers and providing students with hands-on experience. University incubators provide space for students to develop their own companies, creating jobs for themselves and others. Increasingly, universities are partnering on shared infrastructure projects such as libraries, bringing the university and the community together.

Ontario needs a well-educated population and therefore needs to ensure that financial issues are not a barrier to education. With that goal in mind, the Ontario government and universities have provided students with stronger financial aid systems. The Student Access Guarantee is maintained by all universities, in coordination with the government's Ontario Student Assistance Program. It ensures that no Ontario student is prevented from attending Ontario universities due to a lack of financial support. And in 2010-11, universities distributed \$200 million of tuition revenue under a tuition set-aside program, and \$700 million overall in scholarships and bursaries, which is more than 10% of their operating expenditures.

In recognizing the government's fiscal restraints, the recommendations that follow do not require immediate increases in provincial funding. That may sound odd to you, as the standing committee.

1610

If your funding is available at the end of the year, we do ask, though, that the government consult with

universities to identify priorities for one-time funding, such as increasing our facilities renewal fund—earlier cut in half—to address the backlog of deferred maintenance projects on campus to transform our aging infrastructure.

Secondly, we would encourage the government to maintain its commitment to fully fund the growth in spaces for undergraduate and graduate students. The province has had an ambitious agenda for growth of post-secondary education in the last 10 years and has made commitments to continue fully funding it. However, universities are concerned about the trend towards discounting the support for growth through a number of different measures that will reduce our operating funding. These cuts will cause a challenging budgetary situation for universities when considered along with other government budget cuts.

Third, as I touched on earlier, we are in discussion with the minister on a tuition framework. We have asked that tuition be put in the context of the highest investments in student aid in the country that are made in Ontario by government and the universities themselves. When net tuition is considered, the actual price students pay once financial aid is factored in means many students pay less than the sticker price. On average, students on OSAP and first-entry university programs pay half the sticker price of tuition.

University enrolment has been growing faster than the increase in government grants. Indeed, Ontario now has the lowest per-student funding in Canada when government grants and tuition are combined. In an environment of declining government grants, tuition plays an important role in funding programs and services that students rely on for a quality learning experience.

Fourth, the Ontario universities are urging the government to extend temporary solvency funding relief measures to allow universities to satisfy their obligations over a more manageable time frame for pensions, and have made a more detailed proposal on this to the Ministry of Finance. The sector has made good progress at enhancing the long-term sustainability of our pension plans and is deliberating about the feasibility of a jointly sponsored pension plan for the sector. However, a prolonged period of low interest rates has caused pension deficits to worsen for the sector as well as for others. Without an extension of solvency relief, universities could be forced to divert resources from education and research missions.

Finally, it's our recommendation that the Ontario government plan for a provincial match to the federal Canada Foundation for Innovation investment, which supports research infrastructure, a year from now so Ontario universities can secure their fair share of federal funding. Maintaining Ontario's competitive edge in research requires technology, equipment and facilities capable of meeting the needs of state-of-the-art research and student training.

In closing, the Ontario government can feel proud of the return on the investment in higher education. We look forward to working with all our partners to build these successes for the future of our students, our economy and our collective well-being.

The Chair (Mr. Kevin Daniel Flynn): Thank you very much, Bonnie. You've left about two minutes for questions. Soo?

Ms. Soo Wong: Thank you very much for your presentation. I listened attentively. I want to hear your position, because you represent the Ontario universities: What is your council's position on the PCs' white paper dealing with funding attached to academic performances and how we fund? Clearly, you talk about tuition fees and how we fund, so what is your position? Does the council have a position on that piece?

Ms. Bonnie Patterson: The universities are very supportive of the student aid model that exists that is both a combination of government investment and university investment for needs-based aid as well as merit-based aid. We believe the continued investment really does change the opportunity for students in the province.

Ms. Soo Wong: You say merit-based funding. Can you elaborate a little bit further?

Ms. Bonnie Patterson: Sure. Universities right now do have a number of scholarships that they offer out of their operating resources and from their philanthropic support that they have achieved and developed through their endowment funds. We believe that offering those competitive scholarships continues to be important to make Ontario universities competitive with the rest of the country.

Ms. Soo Wong: Does your organization believe that the funding should also be attached to performances of the students or the employment ability related to that piece?

Ms. Bonnie Patterson: We believe that student aid that is based predominantly on need is critically important, and that's why you would find the majority of our investments going towards need-based aid.

Ms. Soo Wong: Thank you very much, Mr. Chair.

The Chair (Mr. Kevin Daniel Flynn): Thank you very much, Bonnie, for coming today. We appreciate it.

Ms. Bonnie Patterson: Thank you.

ONTARIO CONVENIENCE STORES ASSOCIATION

The Chair (Mr. Kevin Daniel Flynn): Dave, I'm going to call you forward. I can almost guarantee you're going to get interrupted, but you may as well get started.

Mr. Dave Bryans: I always get interrupted.

The Chair (Mr. Kevin Daniel Flynn): Dave is here from the Ontario Convenience Stores Association. David, you get 15 minutes like everybody else. Use it any way you see fit. If there is any time at the end, it will be questions from the Progressive Conservative Party.

Mr. Dave Bryans: Great. Thank you, Chair Flynn. Thank you for allowing me to address you today.

The Ontario Convenience Stores Association represents 7,500 small family-run industry stores in Ontario. I also do represent major chains and independents throughout the province.

The industry employs over 75,000 Ontarians in the province. We contribute about \$5.5 billion to the economic footprint of Ontario, and over 2.7 million people visit a convenience store every day. Keep in mind we provide business ownership opportunities for many new Canadians, and first-time job experiences, and we represent a vital part of every community, being the fabric of both urban and rural regions of the province.

Ontario's C stores, however, operate on very small and declining margins. C stores are struggling today in Ontario mainly due to, first off, the lack of a new destination category for goods and services to offset our declining revenues; a lot of red tape—as an example, there's about 83 different federal and provincial laws today to run a convenience store, and if you were to print it all off and stack it up, it's about 5,500 sheets of paper for a small business operator; and, of course, many new different trade restraints that appear all the time from different groups.

In February 2013, the OCSA, ourselves, made a formal submission to the Ministry of Finance, and it is in your kit at the back. The submission makes four key recommendations under three main categories: beer and wine, contraband tobacco, and age verification programs. Each recommendation aligns with government fiscal and/or social interests.

Under the key recommendations:

Beverage alcohol: Review the LCBO agency store model with a view to enhancing the program and providing longer contracts.

Contraband: Act on the commitments made in the 2012 budget.

As well under contraband: Maintain the current tobacco tax rate until such time as we can find a correction to contraband tobacco.

Age verification: support for the industry today of the We Expect ID program.

Under beverage alcohol, the OCSA has long been advocating for the modernization of Ontario's 85-year-old alcohol system. It's a primary target to offset declining revenues for OCSA members. Allowing the sale of alcohol at C stores would lead to higher employment—we estimate about 150,000 private sector jobs—and dramatically increase our economic footprint in the province. Other jurisdictions throughout this country with this model have not experienced a negative impact either to their economy or to the health or safety of any of their citizens. People want their local C stores to be able to sell beverage alcohol. Angus Reid, in the last survey, found 67% of all people surveyed asked for more access. Field studies, both Ipsos and Statopex, conducted by the OCSA revealed that C stores did a better job and still do a better job at age testing than either the LCBO or Beer Stores. In July 2012, the OCSA released a petition with 112,500 signatures from people standing in line in our stores in support of us. This, by the way, was the largest petition ever introduced in Ontario. Public support, as we all know today, for change is now at an all-time high.

Modernizing the retail system was identified clearly by Don Drummond. His report suggested a more

aggressive store expansion program. The agency program should be looked at as a vehicle for compliance with this recommendation. The agency store model requires that privately owned C stores make our own capital investments, hire and pay our own staff and manage the liquor retail experience with no cost to the Ontario taxpayer. In your kit, there's two pictures of the new Mac's store that was just opened in Thamesford, Ontario, where Mac's has spent \$3 million of capital building this new site in Thamesford, outside of Stratford. Mac's pays all the labour costs and the recyclable costs for that store.

Some recommendations: Pilot the expansion of the agency store model in select urban and suburban regions in the province in 2013. This will allow you as a government to assess the economic and social impacts of expansion.

In the longer term, the government can roll out an expansion of the agency store model to the rest of the province. OCSA is confident that provincial revenues will increase. Small businesses and convenience store owners will be able to thrive, hire and remain an important part of every community.

1620

Switching to contraband tobacco, contraband tobacco is an increasing problem that threatens Ontario's youth, provincial tax revenues and Ontario's C store sector. The RCMP has now identified Ontario as almost exclusively having the biggest issue with contraband. It's a little bit high in Quebec, but Ontario is by far the worst area in the country. Federal and provincial governments have made commitments to address the issue. Ontario alone in 2012 made that commitment, and then there was the recent federal government announcement of more enforcement and additional jail time for repeat offenders.

OCSA members who offer legal tobacco products are suffering in every community. C stores are still too reliant on tobacco as a destination category. OCSA attributes that we're losing about two to three stores a day, mainly small family-run stores, due to the problem of contraband because our regular customers are actually buying it out of the trunks of cars. Some 60% to 80% of all of our store revenues in a smaller business model are directly or indirectly attributed to tobacco sales. And even though it is a sunset consumer category, our owners still rely heavily on the revenue from tobacco for now.

The Auditor General did talk about the effect on some of the provincial revenues. In 2007, he estimated that we were losing \$500 million a year as Ontario. If you multiply that by the five years we've missed, it's a huge amount of money. We actually estimate it to be much higher.

In 2012, the Ontario budget estimated that over the next three years, implementation of illegal tobacco initiatives would raise revenues by \$375 million. By next year, provincial revenues would have increased already by \$175 million, with additional enforcement only costing \$34 million.

The effects on public health: Don Drummond said it best. Tobacco consumption has "flatlined" after more

than a decade of declines in smoking rates, partly because cheap, illegal cigarettes are now available.

In the Ontario budget: Contraband tobacco “removes an incentive for smokers to quit, undermining the government’s policies to reduce smoking.”

CAMH, in 2010, stated that just less than 50% of all cigarettes consumed by Ontario high school students were illegal products. Just recently, in 2012, under policy recommendations, the Canadian Cancer Society stated that 53% of students who reported smoking reported using contraband cigarettes, equalling about 60,000 students.

Some recommendations: Act on the commitments made in Ontario in the 2012 budget on contraband tobacco. Some highlights:

- enhance law enforcement resources;
- an increase in fines and penalties for criminals, similar to the federal law;
- strengthen the registration system for retailers;
- include us, the OCSA, in consultation—I think if we sell 95% of the cigarettes in this country, we have a pretty good idea of how to fix some of the problems; and
- introduce legislation in 2013.

The OCSA wants to help educate government on the complexities of contraband and to also be a partner in the solution.

Turning to age verification, age verification training programs for C store workers are very important to public health. These programs also help small business owners and their staff avoid punitive fines. I said it earlier: About 2.7 million people visit a convenience store every day in Ontario, and many of these are young, youthful people. C stores are the front lines for distributing age-restricted products, namely tobacco, the government’s own lottery, at about \$1.7 billion, and now alcohol, where available. With focus on contraband and diverting consumers to legal channels, the government should help us as retailers ensure that we are properly trained.

We have a program called We Expect ID. We’ve been very proud of it. We launched it in 2007. It is the most comprehensive age-training program in Canada. It allows people to be trained online and certified. It was fully administered by the OCSA, and it includes training materials in all formats and in three languages—English, French and Korean—for the small business operator. But due to the financial realities of today, the OCSA had to cancel the program for its members at the latter part of 2012. Store owners are worried that infractions and resulting prohibitions on their stores will go up, and the public should be worried that youth are increasingly going to be at risk.

The OCSA has tabled a funding proposal with the Ministry of Health, and Health Promotion, to continue the We Expect ID program. The cost to the treasury would be approximately \$500,000 per year. The cost of this investment could be paid out of the smoke-free Ontario budget allocation for both smoking cessation programs and education programs of \$39 million in 2012.

The cost would be offset by revenue generated from contraband tobacco initiatives of \$375 million over the next three years.

The expense is minimal when compared to the potential social cost, and keep this in mind: This is the first time in my 10 years running the OCSA that we’ve sat in this committee and asked anybody to give any funding to small business in this province. For a relatively small yearly funding allocation, Ontario can champion a program that will provide peace of mind for parents, reduce provincial tobacco usage rates, alleviate pressure on the health care system, and protect small business owners, their employees and small business operators.

In conclusion, Ontario’s C store sector is at a critical junction for small business. Declining destination-category products with no offset in sight has the potential to eliminate many stores within the industry. Our submission makes achievable recommendations to all of you that can be implemented in 2013, and working with the Ontario Convenience Stores Association will not only help the industry, but the province in realizing its goals with respect to fiscal and social agendas. Thank you.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Dave.

This is where the committee needs to make a decision: We’ve got just over three minutes left, and the bells are going to ring, I think, very shortly. We can keep Dave here and we can ask the questions, or we can just head down to the House now. It’s up to you.

Mr. Michael Prue: I think we should let him answer. I mean, we can get up to the House. What is it, a five-minute bell or a 10-minute bell?

The Chair (Mr. Kevin Daniel Flynn): It should be a five-minute bell.

Mr. Michael Prue: A five-minute bell.

The Chair (Mr. Kevin Daniel Flynn): Okay. All yours, Jeff or Julia.

Mr. Jeff Yurek: I’ll ask a question. Thanks very much for coming down. Good to see you again.

I find it interesting, with all of the media hype in the summer, that convenience stores already sell alcohol. That’s an amazing fact, that they’re actually able to do so, but when you read the media they are acting like it was some new-found idea out of the blue that was terrible for Ontario. Can you comment on that?

Mr. Dave Bryans: First off, on the agency model, we have about 217 LCBO agency stores; retailers have done a wonderful job at selling alcohol in small communities. As a matter of fact, the agency stores have longer hours, they stay open on statutory holidays, and they service mainly rural and cottage country. We have never had an issue; we’re still the best at age testing. I guess because we’re in Toronto and agency stores are in rural Ontario, many people in the GTA don’t understand that business model.

Mrs. Julia Munro: I’ll just jump in. One of the areas that has always concerned me is contraband tobacco and the use by those under age. I was wondering, when you were talking about We Expect ID, do you have any

support from the Ministry of Health or anything in that regard to understand and examine the contraband issue amongst the youth?

Mr. Dave Bryans: No. You know, I wish I could. My answer to all of that is very simple: Let's ban youth possession, consumption and purchasing under 19, and then we'd have a new behaviour we could change, because we don't see young people drinking a bottle of beer next to a high school. However, that seems to have fallen on deaf ears. I believe the future is all of us banding together to protect the future of our young people.

The RCMP raided a locker in Cornwall in December that was full of baggies of cigarettes that were being sold for \$10 per 200 to all the kids in the high school, so I think it's time that all of us figure it out. My passion is to get it right. I have children—I think we all have children, if not grandchildren. Let's start somewhere and fix this problem, both youth access and contraband.

Mrs. Julia Munro: Thank you.

The Chair (Mr. Kevin Daniel Flynn): Thank you, David, for being here today. Good to see you.

Mr. Dave Bryans: Thank you. I appreciate it.

The Chair (Mr. Kevin Daniel Flynn): Great job.

Okay. For Service Employees International Union: We're going down for a vote. Is somebody here from SEIU? Anybody from SEIU yet? Okay. We're going to go up and vote, we're going to come back, and you're up next.

We're recessed.

The committee recessed from 1629 to 1649.

SEIU HEALTHCARE

The Chair (Mr. Kevin Daniel Flynn): Why don't we get started? Eoin, the floor is all yours. Use the time any way you see fit.

Mr. Eoin Callan: Thank you. My name is Eoin Callan. I'm a member of the Economic Advisory Panel of Ontario, which advises the Minister of Finance on ways to strengthen the economy and manage public finances prudently. I also sit on the investment committee of the Healthcare of Ontario Pension Plan, which manages \$40 billion in assets. I'm the former economics and trade correspondent for the Financial Times and covered the global banking crisis for the Financial Post.

I'm here today in my capacity as an adviser on public policy to SEIU Healthcare, which is the fastest-growing labour organization in Ontario, in Canada and in North America, and represents more than 50,000 front-line health care workers across the province.

I'd like to start by thanking the committee for the opportunity to appear before you this afternoon.

I simply wanted to really underline that the committee faces twin fiscal challenges. You face a cyclical fiscal challenge in the form of a record deficit caused by the financial crisis and made persistently difficult to address by ongoing economic stagnation in the wake of that shock. But you also face a significant structural fiscal challenge arising from demographic pressures. These

demographic pressures are pretty relentless. By 2017, the number of seniors is expected to outnumber children in Ontario. By 2031, the number of seniors is expected to have doubled. By 2036, it is forecast that 23.6% of our population will be seniors. Combined with elevated health cost inflation, which has been running in recent years at close to 7%—which is well above the rate of growth, well above the general rate of inflation and certainly well above increases in government revenues—we have an enduring fiscal challenge.

We're recommending an action plan to bend the cost curve in health care and to meet the needs of an aging population while sustaining Canada's public health care system for the next generation. As all parties have acknowledged, home and community care is an important part of the solution. It costs less than institutional care, and more than 81% of Ontarians have indicated in opinion surveys that they would prefer to receive care at home. Home care makes it possible to fulfill the promise of security as people age, and to pass on a strong, stable public health care system to our grandchildren.

Importantly, families in Ontario want reliable and consistent home care. They need a guarantee that home care will be there for them when they need it. They want to know that they can get the right care at the right time, no matter where in the province they live, no matter who they are. At present, too many families are overstretched. They're struggling to care for loved ones. They're left waiting for care, leading to unnecessary pressures being put on our health care system.

The action plan we're proposing is a six-point plan. It begins with cutting waiting lists for home care. We've got more than 6,000 people waiting for care, with delays of up to 260 days. Families need a guarantee that care will be there for them when they need it most.

The second piece of the action plan is providing relief to family caregivers. We need to take pressure off the families who are caring for an ailing relative while at the same time trying to juggle a full-time job and raising a family, and we can do that through supports like flexible respite care, to give families a break.

Importantly, family caregivers are estimated to contribute about \$24 billion worth of care annually. Providing them with targeted relief and supports so they can continue to play that role is in the fiscal interests of the province.

We also think it's important to guarantee security and peace of mind for seniors and families. When a family needs care, they should be guaranteed that every health professional coming into their home is trained and qualified and has passed background checks.

It's also important to protect the heart of health care, the front-line staff who deliver hands-on care. Currently, this province has no health human resource strategy for the occupation of personal support workers. Addressing that gap and developing an effective HHR strategy is a fiscal imperative.

We'd also underline the need to ensure that investments go to the front line, not the bottom line, and to

demand transparency and accountability in the way that health dollars are spent. Currently, our analysis suggests that for every \$1 that you invest in home care in Ontario, about 28 to 30 cents are lost through the first two layers of administration: the local health integration networks and community care access centres. If you continue following that dollar after it leaves the government's hands and goes into the home care sector, more than 50%, so another 35 to 37 cents of that dollar, gets lost through the next layer of administration. So you're losing more than 70 cents out of every dollar invested in care, on average, leaving about 30 cents of every dollar invested in home care by this province going to actual hands-on care and increasing access for those on waiting lists.

We can't find another jurisdiction that performs so poorly in value for money when it comes to investment in the home care sector. In light of the demographic pressures and the fiscal challenges that we've just been discussing, we would urge attention to this file.

The seniors strategy penned by Dr. Samir Sinha points toward some interesting solutions to these challenges. Sinha talks about the importance of exploring models that give patients greater choice and control over direction of their own care, and he talks about models that would allow Ontario to deliver that kind of additional flexibility and responsiveness to families, to patients and to consumers in ways that would perform significantly better on the score of value for money.

He also alludes to the need for a province-wide, flexible, family-driven respite program. We would simply add that it's important, as Dr. Sinha has underlined, to pursue these strategies in the context of developing a health human resources strategy that will stabilize the existing personal support workforce and enhance existing skill sets in a way that promotes quality improvement over time.

Finally, just returning to these twin fiscal challenges, it's important to bear in mind that in order for finance to meet its goals of deficit reduction, the Ministry of Health has to meet its goals. If health fails, finance fails. So we'd encourage the committee to give due consideration to ensuring that health has the tools it needs to meet its fiscal targets, to begin to bend the cost curve while sustaining a public health care system that's accessible to all.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Eoin.

Michael, Catherine, you've got just under 10 minutes.

Mr. Michael Prue: I was intrigued by your statement that Ontario probably has the worst system when it comes to home services because of the money spent on the LHINs and the CCACs. Can you tell me how other provinces do it, if you're considering us the worst? How do they put more money on the front line and less money into bureaucracy?

Mr. Eoin Callan: I would make a couple of points. I think it's important to look across jurisdictions, across Canadian provinces and internationally as well. For example, the jurisdiction of Illinois introduced a regulation

quite recently that capped the amount that can go on administration out of every dollar that leaves public hands at 28 cents. In Illinois, there are regulations limiting to 28 cents out of every dollar the amount that can go on administration. In Ontario, we're up around 68 or 70 cents. That suggests that there's a significant administrative overhead we're running in this system, and it underlines the fact that there are a number of opportunities to achieve greater efficiencies and better value for money for taxpayers.

I would come back to Samir Sinha's report, which looks to other Canadian provinces where you will find models of care that are more consumer-driven, that are designed to be more responsive to the needs of families, that allow them to schedule care when they need it and where they need it and that deliver better value for money. That's a key recommendation that's on the table presently for consideration by government in the wake of the release of the seniors strategy in the last 10 days that we would point to as providing potential to address the inefficiency and waste associated with our current system.

1700

Mr. Michael Prue: Do other provinces have waiting times as long as 260 days? I know that that's not everywhere in Ontario; it's mostly in northern Ontario isolated communities where it's 260 days. It may only be 10 or 12 days in Toronto, but do they have that kind of waiting list as well with this program, where they spend more on the front line?

Mr. Eoin Callan: No, we're running a home care system that's creating longer wait-lists and longer wait times than you're going to find in other jurisdictions. You're right that the challenges faced by families in accessing care vary from region to region across the province, but even outside of northern Ontario you'll find very significant challenges for families accessing care when they need it. Indeed, the trend over the last couple of years has seen that those seniors and families that are looking for that early-stage preventative intervention are having increasing challenges and wait times when they seek to access care. That's just not good, prudent public policy. It's that preventative care that helps us defer, delay or eliminate much more significant costs associated with institutional care and the more complex care needs that begin to develop when you don't have that early-stage intervention. So at precisely the moment that families and seniors need that intervention that's fiscally responsible, that's preventative, that defers and delays costs and that will help address our significant deficit, we're failing.

Ms. Catherine Fife: Thank you very much, Mr. Callan, for the presentation. One of your recommendations specifically deals with a human resources strategy for the health care sector, and you mention specifically personal support workers. We have been hearing from PSWs across the province around health and safety issues and around workload earlier today—the \$12 salary. Can you be more specific around the human resources strategy as it specifically relates to personal support workers?

Mr. Eoin Callan: Sure. What you'll find is that the vast majority of personal support workers in Ontario are living at, or, in most cases, below the poverty line. So, where we have a health human resource strategy for other health occupations, whether that's registered nurses, nurse practitioners or physicians, we literally have no strategy at present for this occupation.

Specifically, there's an opportunity to develop medium- to long-term tools that will help recruit and retain personal support workers. At the moment, we're experiencing a higher turnover rate in that occupation, in this sector, than you will find anywhere else in health. Identifying incentives like retirement security options is likely going to be part of an effective strategy to recruit and retain the kind of workforce we're going to need to care for a seniors population expected to double by 2031 and expected to take up 23.6% of our population by 2036. That would be a specific example of a component that one would want to consider at least exploring in the course of developing an HHR strategy for this occupation.

Ms. Catherine Fife: Thank you.

The Chair (Mr. Kevin Daniel Flynn): Thank you very much for coming today.

Interjection.

The Chair (Mr. Kevin Daniel Flynn): No, there isn't, unfortunately. We're actually over time.

Mr. Michael Prue: I just wonder, will you have a handout to give us in the next little bit?

Mr. Eoin Callan: We do. You'll receive it—

Mr. Michael Prue: Okay, thank you.

The Chair (Mr. Kevin Daniel Flynn): Wonderful. Thank you for being here today, Eoin.

CHILDREN'S MENTAL HEALTH ONTARIO

The Chair (Mr. Kevin Daniel Flynn): Our next delegation this afternoon is Children's Mental Health Ontario. Gordon is here with some colleagues. Have a seat, Gordon. Make yourself comfortable. You're quite familiar with this, but you get 15 minutes. Use that any way you see fit. If there is any time left for questions, the questions will go to the Liberal Party. The floor is all yours.

Mr. Gordon Floyd: Thank you, Mr. Chair. I'm accompanied here today by Natricia Drummond, who is—well, I'll let Natricia introduce herself and she'll open for us.

The Chair (Mr. Kevin Daniel Flynn): Very good.

Ms. Natricia Drummond: Good evening, everybody. Thank you, Mr. Chair and members of the committee, for the opportunity to join you today. As Gordon said, my name is Natricia Drummond, and I'm here to talk to you about children's mental health.

My first encounter with mental health happened in my second year in university. My friend and I were driving home from our social psych exam. I answered my cellphone and found out that her brother had committed suicide.

While I was getting the news, her phone rang, and I knew what was coming. I was driving. I didn't know

what to do. Was I supposed to pull over and comfort her or get her to her family as quickly as possible? I was worried about doing the right thing.

Her brother was considered the black sheep of the family. He hung out with the wrong crowd and was generally a misfit; in other words, he was a writeoff. He, of course, was none of these things. He was a young person with several mental health issues, in an environment where education about mental health was non-existent. For the months that followed, I didn't know what to do or say to her, and she didn't know how to reach out.

Finally, tired of not being able to do anything, I went online and did some research and came across East Metro Youth Services, a children's mental health agency close to where we lived. I went into the centre and connected with one of the counsellors, where I learned about grief counselling and the fact that I needed to work through my own trauma from that situation. I also learned a few strategies to use when talking to her. The helplessness that had set in since that phone call started to ease.

I tell you this story so that you can see that when youth get access to mental health workers, it's effective and it works. It didn't work for her brother, but it definitely worked for my friend and me, and since then, we've been thriving.

I represent Children's Mental Health Ontario, both as a board member and a member of the youth action committee. As of this morning, I'm also a member of the Premier's Council on Youth Opportunities.

Children's Mental Health Ontario works to champion the right of every child and youth in Ontario to mental health and well-being. Our vision is a province where every child and youth has the opportunity to grow up healthy, with access to the services and supports they need when facing mental health challenges.

Our membership includes more than 80 accredited community-based mental health agencies who provide treatment to young people who face a range of social, emotional and behavioural challenges, including bullying, violence, defiance, ADHD, eating disorders, depression, self-harm, anxiety and addictions.

Many of these children and youth have trouble maintaining normal relationships with their peers and families. Many struggle in school and many are involved in the child welfare and youth justice system. In my own work, I have seen first-hand the valuable role that child and youth mental health services providers can play.

Recently, the initiative that I work for organized a mental health retreat for a bunch of youth leaders doing work in one of the disadvantaged communities in Toronto. After the retreat, one of the young ladies came up to me and said, "Before this retreat, I thought my life was messed up and that I'd have to find a way to deal with it. But now, I know better and I know where I can go to get help."

The reality is that one in five young people in Ontario will experience a mental health challenge. That's about 500,000 children too many. Of this group, only one in six will receive the treatment they need. It's no wonder that

children and youth who experience mental health issues are at an increased risk of becoming an adult with mental illness.

I'm very pleased to see that children's mental health issues are receiving a lot of attention in Ontario today, but unfortunately we only seem to want to talk about the mental health of our kids when something bad happens.

The stories that we often see in the media are about bullying or teen suicide and are usually framed in the context of how the system has failed. Instead of just talking about children's mental health after the system has failed, we need to think proactively and make investments now to support the organizations that provide children and youth mental health treatment, services and supports.

My grandmother always said, "Prevention is better than cure," and I think when we look at the children's mental health system, that statement is definitely true.

I applaud the committee for providing us with the space and time to discuss this issue today. Now I'll turn it over to Gordon Floyd, the CEO of Children's Mental Health Ontario.

Mr. Gordon Floyd: Thanks, Natricia, and thanks to the committee for providing us with this time.

Many of you will know, as Natricia said a moment ago, that there has been a lot of attention given to children and youth mental health issues and mental health issues more broadly in Ontario in recent times. That's due to the efforts of a lot of people, including several people who are in this room and on this committee. The efforts of people in the community and here in the Legislature from all sides of the Legislature have begun to make a very significant difference in the lives of children and youth with mental health problems and their families. I think that we are on a very good track due to the work of the select committee that you chaired, Mr. Chair, and again, work that has happened on all sides of the House.

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That work led to the announcement in 2011 of a comprehensive 10-year mental health and addiction strategy that has begun with a focus on children and youth. We're about halfway through the implementation of 22 initiatives attached to that strategy. There are always implementation challenges, but overall, it really is going very, very well.

Certainly, the strategy itself and the funding that was attached to the implementation of the strategy, which was also announced in 2011, were very much welcomed by the community-based children's mental health sector. The bulk of the new funding was provided to enable agencies to hire more front-line workers, which really made a significant dent in the wait-lists that those agencies were facing. Prior to that funding, we were looking at wait-lists that were typically five to six months long. They were cut in half or better when the funding flowed and the new workers were hired.

Some of the other aspects of the mental health strategy were designed to enable educators, physicians and others to do a better job of identifying children and youth who

need help. That part of the strategy is working well, too. The Catch-22 of course is that the number of referrals to agencies has increased sharply. The waiting lists have grown again, not all the way back to what they were in 2010, but significant new pressures have been created in the system as we chip away at that figure cited by Natricia, that only one in six kids who has a mental health problem gets seen by somebody with specialized expertise. We're bringing that number down, we hope, through these new referrals, but it is causing significant new pressures on the front lines.

Because the new funding was specifically allocated to new workers, there were a number of other aspects of agency infrastructure and operations that experienced increased pressure and that are now in dire need of some additional resources. For instance, we added new workers, but we didn't add any new clinical supervision. The funding was not allowed to be used for clinical supervision or increased information technology or the extra travel costs that go with a new worker in a rural or remote community. There was no new funding made available to expand evaluation efforts.

We're all trying very hard to ensure that the resources that go into the system are well used and that the outcomes are good outcomes, but we can't do that if the funding isn't there to actually do that kind of evaluation.

Somewhat like the last speaker alluded to, in this sector as well, we experience significant staff retention issues. The social worker who operates in a community children's mental health agency gets approximately 25% less than he or she would doing exactly the same job in a hospital or for a school board. That situation, not surprisingly, means that there is significant attrition, significant turnover in staff and lots of inefficiency introduced to the system as a result of that.

We've got these kinds of ongoing operational and infrastructure pressures that are not allowed to be addressed with the recent new funding. So our first request to the government through the committee is that some increased flexibility be allowed in the use of the funding that is made available to agencies so that they can manage their budgets in a way that is going to make sense on the ground and for the agency operations.

Our second ask springs out of something else wonderful that's happening and that has come out of the work of so many people over many years. Last November, it was announced that the entire system of child and youth mental health at the community level is going to be significantly transformed. That process is just getting under way, and it is one that we at Children's Mental Health Ontario and our member agencies strongly support. The goals, I believe, to be achieved through this process have cross-party support. This system transformation is going to focus funding more precisely on child and youth mental health prevention and treatment services and prevent some of the bleeding away that has been introduced over many years of ad hoc funding. It's going to increase local coordination of services by establishing a lead agency in each community that will have responsibility for coordinating service planning and delivery. It's going to

lead to the development and the creation of a new and more equitable funding model that will play out in a way that makes sense in communities across the province—a funding model that's based on a combination of population and local need. It's going to lead to expanded accountability, better accountability, assuming that we can do the evaluation that will lead to that better accountability—all good things. I think everybody on all sides would agree that these goals and what we're trying to do with system transformation are admirable and need to be supported.

But we also know that major changes of this kind don't come for free, and we know that there are going to be new skills and responsibilities that will fall on agencies, particularly the new lead agencies. Those lead agencies are going to be expected to take on a significant system management role that they have not performed previously. They're going to be taking on a significant community leadership role that's going to require time and resources. There are going to be new governance challenges. There are going to be new management challenges. There are going to be costs involved in shifting programs from one agency to another, and dealing with the HR consequences of that.

Our second ask is that the Ministry of Children and Youth Services and whoever else needs to be involved engage with the community-based sector to do a proper accounting of what those additional costs are going to be and to resource them.

We have, through our collective efforts, been making some really wonderful progress in fixing a system that had been allowed to deteriorate for two or three decades. We are on a very good track. We are not going to get to where we all want to get to and where we believe we can get to without ensuring that the process of system transformation itself and the transformed system, once it's in place two years from now, is properly resourced so that we can meet the needs of all the children and youth in Ontario who are facing mental health or addiction challenges. Thank you, Mr. Chair.

The Chair (Mr. Kevin Daniel Flynn): That's great, Gordon. Unfortunately, we're pretty well out of time. We've got about 30 seconds left. There's probably not time for a question and answer, but I did want to thank you for coming.

Mr. Gordon Floyd: Maybe a question; I can't do an answer.

The Chair (Mr. Kevin Daniel Flynn): Yes, you'll probably get a question and a comment, and no time for the answer, so you'll just leave us all hanging. But thank you very much for being here today, and Natricia, thank you, too.

NORTH AMERICAN PLATFORM AGAINST WINDPOWER

The Chair (Mr. Kevin Daniel Flynn): Our next delegation today is from the North American Platform Against Windpower, Sherri and Michael. Sherri sans Michael?

Ms. Sherri Lange: Michael Spencley sends his regrets. He's in a manufacturing company in Mississauga and he was not able to make it today, so he sends his deep regrets.

The Chair (Mr. Kevin Daniel Flynn): No problem at all. Make yourself comfortable, Sherri. You've got 15 minutes like everybody else; use that any way you see fit. If there is any time left over, it will be for questions from the Progressive Conservative Party.

Ms. Sherri Lange: Thank you very much, Mr. Chair. I would like, first of all, to apologize for the mistake on the cover page, which is the Chair's name. Please forgive me.

The Chair (Mr. Kevin Daniel Flynn): That's okay. We can blame Katch for everything now.

Ms. Sherri Lange: Okay. It's a fairly complex title on this, but let's just read the last part of it: "A Chance to Correct a Deep Intellectual Error." I have the privilege of working with NA-PAW, North American Platform Against Windpower. We work with communities from Aruba to every part of Canada. Obviously, I'm deeply committed to Ontario—it's my home—and very concerned about the economic and social path we are on now with wind turbines.

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I'm not going to go through this copious amount of material. I did want you to have this material because it is rather cutting edge. A lot has happened since the green energy and economy act came in. A lot has happened around the world with wind turbine understanding, with the economics, and it's really been devastating communities, quite frankly, around the world.

There are a couple of brand new books. I have ordered Dr. John Etherington's book for each one of you. I'm going to be sending it to you. It did not arrive in time for this meeting. It's in its 14th printing. It's a little, tiny book from the UK. The UK has had 30 years of experience with wind turbine hell, if I may call it that. They are very acutely aware of the foibles, economic and social, of this problem. They have tremendous energy poverty in the UK.

This is a brand new book—just came out last week. This is from Scotland. He calls wind turbines the "rape of Scotland." He's a member of the European Parliament, this gentleman. He's also referenced in this binder that you have on, I believe, the last page before the blue divider. He has done a little YouTube clip. In about six minutes you can get a very short and fast overview of what is happening in Scotland, which is being mirrored around the world and in Ontario, so that you can quickly grasp the economic consequences of wind turbines.

Also, after the blue slip of paper there, you have a bunch of cutting-edge articles. If you flip through these, it's much easier than flipping on your computer. This will be available to you at your leisure to study up on very, very, as I say, cutting-edge current issues.

The world is not enchanted anymore. We've gone on this climate change fearmongering expedition. You could cover the planet with wind turbines and not really impact

the climate, I'm afraid to say, because wind turbines just flatly don't work. There are approximately 140,000 wind turbines on the planet, producing less than half of 1% of the world's energy—net, zero. That is a fact that's borne out, quite frankly, by many, many researchers around the world.

The subsidies are huge. This is a big problem for Ontario, with the massive debt that we now have. There's a reference to that under the executive summary.

"Quick Facts": People keep saying that wind turbines create jobs. That is not true. Spain has lost 2.2 jobs per so-called green job. Italy has lost 5.4 jobs. The UK has lost four jobs per so-called green job. These are illusory numbers when the wind industry prompts us to believe in the dream, which we all did at one point—most of us—and we now realize that it causes unemployment due to high energy rates.

Carbon reduction, again, under the "Quick Facts" page: That is already seen as not true as well.

Global tourism, property values: We've just launched a new website, windturbinepropertyloss.org. You can look at that at your leisure. In Ontario alone, there are 60 lawsuits currently for loss of property values. There are families that I can tell you about who have left their homes, who cannot operate their farms. One family has moved to Saskatchewan; they've lost one third of their livestock. Those are all economic factors as well. It all trickles down to money—all of it.

Health care: Some of the fine people presenting today were talking about the costs of health care and how we can improve that in Ontario. I believe that if we cut the subsidies to this industry, we will have lots of money for health care. That's my personal belief.

Environmental impact: again, very astronomical. In Falmouth, Massachusetts, they are currently decommissioning two turbines that have caused ill health for their residents. The cost, they estimate, is approximately \$15 million per turbine. They are not quite sure how and who is going to pay for that decommissioning. There's another consultant who has said that the decommissioning of a turbine is approximately \$83,900, I believe the number is, per turbine. There are now municipalities across Ontario calling for bylaws to protect themselves.

This is an interesting situation that we are in in Ontario. We have got a bit of a crossroads here. We've moved a long way in three years. We have 92 moratoria votes across the province for various reasons: economic as well as social as well as environmental. These communities are telling the new Premier they do not want wind turbines. They would like to engage her in her conversation that she has offered to have with the province. However, we would like a meaningful conversation with the Premier and with this government, and we believe very much that that begins with the economics. Everything else will fall into place.

Questions we might ask—it's a little further down in your package: Is wind power green? It is actually not. You have probably heard of the wind turbine bird and bat kills in Wolfe Island. In the United States alone, there are

between 37 million and 42 million birds and bats killed every year. Again, it's very devastating, because the bats are an economic indicator. Bats consume 600 to 800 insects per hour per animal. They produce very few pups per year. They are endangered already. When you lose those, you have a massive need for pesticides on your land. It is all interlinked—every single thing.

Is wind power helping to achieve long-range energy goals? No. You always need backup; the wind doesn't always blow. Germany right now, with all of its green desires, is now building 26 more coal-fired plants. That's a fact. Some of those articles are in this package for you.

I don't want to go on too much because I would prefer to have some time for questions, but there is an amazing article there from the *Spectator*. I want you to be aware, if you would be so kind, as to what is happening around the world. This is another book—brand new—from Denmark. This is a world-famous Danish journalist, an award-winning journalist. He has written a book against wind.

So those are three—the Etherington book has been out for about four years. This one is last week, and this one is about a month ago. This is now being translated into English. So there's a worldwide movement, and it's because it doesn't make sense.

I believe that if Ontario is to do one single thing for the economy, it would be to end the Feed-In Tariff program. That is my one dream that could possibly come out of this meeting. We're paying seven and a half cents per kilowatt hour. The developers are getting 13 and a half cents, preferred access to the grid. On offshore, if you put turbines in the Great Lakes around where I live, it's 18 and a half cents. That's a gravy train; I'm sorry, folks. It doesn't work economically. Please help us stop the madness. We would be so proud to have Ontario be the first in the world to end the subsidy program.

In the United States, they've already cut down the PTC. The developers and the industry wished for a three-year extension. They got a one-year, and that is very much in discussion with the tax department also: How are they going to work in? Which companies are going to be receiving the PTC and which not? So there's a lot of tugging and pulling within the industry, within government and certainly with the people who are represented by the government.

Thank you very much for allowing me to speak to you today. I'm very grateful for the opportunity.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Sherri. You've left just over five minutes for questions. Lisa, are you going to—

Ms. Lisa M. Thompson: Yes, go ahead.

The Chair (Mr. Kevin Daniel Flynn): Or Julia?

Mrs. Julia Munro: Yes. Thank you for coming. I just have one question, as obviously more than a casual observer of the problem, as an elected person. There's a great deal of information about an indirect effect. I just wondered—because you didn't happen to, and I realize time is of the essence—if you could take a moment to talk about indirect effects.

Ms. Sherri Lange: Absolutely. When a turbine comes into your vicinity—Ontario thinks that it has one of the most progressive setbacks in the world; it does not. In France, it's two miles. Australia is calling for 10 kilometres. It's rather close. There are many effects from the turbines. There's shadow flicker. There's the audible noise—the “thump, thump”—as the blade passes over the stem. Then you've got the most problematic thing of all, which is infrasound, which is inaudible noise. Inaudible noise changes frequencies in your body. It actually changes cells in animal studies. It is very dangerous. It was actually known to cause a lot of—it has been used in wartime; let's put it that way. You can just check that on your computers. Infrasound has been used in camps. There's also stray voltage from substations, which are placed too close to homes. That is very problematic.

The indirect part of it is that you might be sleepless, for example. Then you have a problem. Everybody in the world knows that if you don't get sleep for three days, you are in trouble. You start to lose your concentration. You become dizzy.

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Dr. Robert McMurtry has gone into this. He has the Order of Canada. He's very, very aware of this and he's put out a lot of papers on this. There are many peer-reviewed studies about loss of sleep leading to paths to disease. For example, I don't know if you know this, but there are abnormal cancer clusters happening around turbine installations. There are abnormal heart attacks happening—indirect. Some people say it's not provable; we have to go to the mortality studies, we have to go to the coroner's department and we have to study who died and how many more deaths are there from whichever reasons. I suggest that we should find the time and the money to study that; that would be useful.

However, in the meantime, last week, there were seven more projects approved. That doesn't look like a halt-and-wait kind of activity.

Mrs. Julia Munro: I guess I just have a follow-up question with regard to that, because Arlene King's studies did not include that. I just wondered if you know—

Ms. Sherri Lange: Absolutely. I'd like to comment about Dr. Arlene King. Dr. Arlene King has been summonsed to court by Julian Falconer. She has refused to testify at this time. That is still in a legal entanglement. It is very likely she will be forced to testify.

Her literature is not up to date, number one. There have been many, many peer-reviewed studies that have come out since her literature review, and she has just done a cursory literature review. It is not actually a hands-on study. I would respectfully leave it at that, but there are a lot of flaws.

Mrs. Julia Munro: Thank you very much.

Ms. Sherri Lange: Thank you, too.

Mrs. Julia Munro: Would you—

Ms. Lisa M. Thompson: Sure.

The Chair (Mr. Kevin Daniel Flynn): Lisa, you have about two minutes.

Ms. Lisa M. Thompson: Okay.

Do you believe the Green Energy Act is fiscally responsible in terms of a piece of legislation?

Ms. Sherri Lange: I absolutely do not. I would dismember that act if I had the choice. It seems to me to be a path to prosperity for the developers. It is a golden path with enrichment. We all know about the secret Samsung deal; we still don't really quite understand how that happened. Why are communities not allowed to speak for themselves? Why do they have to twiddle and find little bylaws that they can protect themselves with, or a fire ordinance, so that they don't have to have a turbine installation in their community?

Communities are being flattened economically because of this Green Energy Act. It's time for a complete overhaul. The Feed-In Tariff program, which is part and parcel of that act—it needs to go.

The Chair (Mr. Kevin Daniel Flynn): You've got about a minute left, Lisa.

Ms. Lisa M. Thompson: Do you believe municipalities should be given their planning power back in terms of siting of turbines or any other green projects?

Ms. Sherri Lange: I absolutely do. I talk to these people every day. I sometimes can't sleep. The agony that is going on in this province, my friends, is beyond imagining. I got a call three nights ago—if I may share this with you; I won't mention the gentleman's name. He's crying. He's 54 years old; he has worked all of his life to build up his farm. He's got two small children. He said, “Sherri, should I leave my farm? Should I leave? They're constructing it 700 metres from my home right now, as I speak.” I did not give him the advice to leave. I certainly coached him in certain ways, but there is total agony out there.

If our government feels anything, and I know you do—you care; that's why you're in public service. Please, do the right thing for your constituents. Allow them to take control of their communities. There's one gentleman, Tom Melady; he hasn't spoken to his best friend who lives next door for six years—they'd been friends since they were kids—because his friend is hosting a turbine. It's very traumatic for these communities. They need to take back their charge of their land and their communities. They can't even go to church together.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Sherri. Thank you very much for coming today. It was appreciated.

Ms. Sherri Lange: Thank you very much, Mr. Chair.

CUPE ONTARIO

The Chair (Mr. Kevin Daniel Flynn): The next delegation today, waiting patiently, is CUPE Ontario. Fred, if you'd like to come forward, and maybe introduce your colleagues. You've probably heard the rules 10 times by now, so you know what they are. Once you get settled, I'll start the clock and the time's all yours.

Mr. Fred Hahn: Thanks very much. My name is Fred Hahn. I'm the president of CUPE Ontario. With me today is Jonah Gindin, our researcher, who actually authored our brief that's being handed out now.

CUPE is the largest union in the province. We have 240,000 members in every community of every size, all across Ontario. We provide care in our local hospitals and long-term-care homes. We collect recyclables and garbage. We plow streets when there's snow and cut grass in parks and playgrounds when it's warm. We produce and transmit the electricity that we use. We teach at universities. We keep our schools clean and safe. We take care of the youngest children and make lives better for those with developmental disabilities. We support the poorest and most vulnerable in our communities.

CUPE members are proud of the work they do every day. It helps to make Ontario a great place to live. It also equips us, on behalf of our members, to make a positive and informed contribution, we think, to the planning of the 2013 provincial budget.

On one hand, it has been very welcome news to hear a change in direction from the current Premier to declare the bold goal of making Ontario number one in economic growth. On the other hand, the government is also saying that it intends to continue down the dangerous and failed path of austerity budgets and strategy. Budgets are about people; they're about our communities, our collective future. As much as it might be politically expedient to say that we can both grow and cut at the same time, the evidence simply says that isn't true. The real challenge in planning this budget is that the government has to choose. We can make Ontario number one for economic growth, or we can continue to impose an agenda of cuts and downward pressure on real wages, but we cannot do both.

Consumer spending is maxed out. The housing market is cooling. Corporations are not investing the \$600 billion in what Mark Carney has called dead money. Unemployment hovers around 8%. Inequality is growing at an alarming rate; in fact, faster here than in the US, some studies say. Misguided cuts to corporate taxes have led to fewer public resources and cuts to public programs instead of investing in promoting growth. It has resulted in deepening inequality and slowing of the economy.

A report released this week warned that continuing the previous government's austerity agenda would slow Ontario's gross domestic product growth by 3% over the next two years and could drag the province back into recession. Just look at how austerity measures in the US, in the UK and in the rest of Europe are now being credited with cutting economic growth in those countries while driving up debt. Even the International Monetary Fund, originally one of the main proponents of austerity, is saying now that the negative impacts of government cuts are three times greater than they originally estimated.

In addition to slowing the economy, austerity is also making inequality worse. Ontario is now the second-most

unequal province in Canada, second only to Alberta. The richest 1% of Ontarians have doubled their income over the past 30 years, yet they are now taxed less than at any time since the Roaring Twenties. Meanwhile, incomes for the bottom 50% of working-age Ontarians have actually decreased in real terms over the same period.

Making Ontario number one for economic growth, as Premier Wynne has called for, requires government not to cut but to play a positive and constructive role. Public services are the great equalizer in Canada, and our brief demonstrates how these kinds of investments have enormous economic multipliers in our economy.

I'll briefly touch on the seven directions that our presentation suggests that the Ontario government should consider to change course and to spur lasting economic growth to reduce inequality and to bring all Ontarians out of recession.

The first would be to generate revenue through tax fairness. We recommend a series of tax measures which, taken together, could raise between \$9 billion and \$10 billion a year, with some estimates raising income by \$13 billion by 2018-19. For example, by simply restoring corporate tax rates to their previous levels, we could generate \$1.6 billion a year. Another \$1.5 billion would be generated by taxing capital gains at the same rate as other income. And we could generate well over \$1 billion simply by closing corporate tax loopholes. Raising new revenue is an essential part of our recommended plan to change direction for this budget, and it would mean real action on growing and sharing the financial prosperity for all Ontarians.

Sharing financial prosperity means that this budget should also be about fighting poverty. The monthly welfare rate for a single person is now \$880 below the poverty line, and it is \$330 below the level that those rates were at in 1995, before the Conservative government slashed rates. Disability rates, of course, are also hundreds of dollars behind as well. There is simply no acceptable excuse for failing to restore social assistance rates to at least the levels they were at in 1995 and to end the punishing clawbacks of resources from the poorest Ontarians. Given that approximately one in 10 Ontarian workers are paid at the minimum wage, an increased liveable minimum wage indexed to inflation would not only reduce inequality but would increase consumer spending, boosting local economies.

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Our third direction deals with health care and vital health services in our communities. By this budget, the health care sector will have lost 11.6% in funding, resulting in many devastating impacts in communities and in every hospital. Hospital budgets should be increased by at least what the Auditor General recommends in keeping with the health sector inflation rate of 5.8% annually. Some 32,000 Ontarians are waiting for long-term-care beds. Ontario provides fewer nursing hours per day—just over two hours. One result of this understaffing is, of course, the resident-on-resident violence that has been so tragically highlighted of late. Meanwhile, 10,000 Ontar-

ians are waiting for home care. This budget must commit to investing in not-for-profit, public, long-term in-home care delivery and funding minimum care standards for residents in long-term-care facilities, and must address minimum hours of work and liveable wages for personal support workers in home care.

Our fourth area of focus is on child care and children's services. The budget needs \$300 million in an increase to base funding for child care simply to avoid further closures of community-based child care centres. It's important to know that for every \$1 million invested in high-quality public child care, we create 40 jobs in the economy and there's a benefit of \$2.42 million in returns in short- and long-term benefits in Ontario.

There's much to be done by way of public infrastructure and investment. Among other things, we are recommending that the transfer of funds through the Ontario Municipal Partnership Fund should be enhanced to pre-reduction levels, not further reduced. The province must do more to support municipal public transit, important in every major centre, and include northern Ontario. To that end, we would recommend reversing the decision to sell the Ontario Northland Transportation Commission in last year's budget.

All of these items in infrastructure and in service delivery are best achieved through public financing, public delivery and under public control. Ontario should commit to publicly financing, operating and maintaining new infrastructure as it closes our now-approaching-\$22-billion-and-growing infrastructure gap. Private financing through public-private partnerships and alternative financing measures is more costly, more risky and less transparent than public funding. There are many examples in the last year; for example, gas-fired power plant closures or Ornge air ambulance. They clearly demonstrate this reality.

Our final recommendation for a direction to help the economy continue to grow is to continue to restore labour peace in Ontario. Labour peace is good for the economy. After the chaos of Bill 115, Ontario needs and deserves labour peace, but achieving that requires the government to be clear that it will not bring forward legislation of this failed kind in the future, as the previous Liberal government had said it would do. It also requires scrapping any plans to impose unnecessary changes on Ontario's fair, independent and time-honoured system of contract arbitration.

This, because of time, is a very brief overview, but we have submitted a very detailed written brief outlining our suggestions for how to grow and have a growth budget that will help achieve the actual goal of making Ontario number one in economic growth while reducing income inequality. We'd ask you to focus on that goal, to choose growth over austerity as the best path for Ontario in the years to come.

I want to thank you for your time, and I'd be happy to take any questions.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Fred. It's the NDP's turn this time. You've got about five minutes. Catherine.

Ms. Catherine Fife: Thank you very much, Fred, for the presentation and for the report. It's an excellent report, very factual. On page 14 particularly, this is a long-standing issue around cuts to educational assistants and special education services. Where are you with having these conversations with school boards? It's a systemic issue of underfunding for special ed, especially around child and youth workers and educational assistants, growing levels of autism in our school boards. Can you please comment on that?

Mr. Fred Hahn: Certainly. One of the things that might not be clearly articulated here but which is one of our ongoing concerns has been the funding formula for school boards.

We understand the importance and the focus on kids. There are many ways in which our kids' education, collectively, in our schools needs to be enhanced, and that includes things like teaching assistants, early childhood educators, child and youth workers, all of which are vulnerable, particularly in—look, school boards have had their budgets not just frozen, but cut. So there will be attempts for budgets to be balanced, and there are jobs that are more vulnerable than others. Often, these kinds of jobs that are seen as support staff are the first to go—they are incredibly vulnerable. It is why we continue to try and work with school boards, with parents, with organizations in communities. Any parent who has kids in school understands the importance of education assistants, certainly early childhood educators, and child and youth workers. These are services that should be and ought to be available to every Ontarian in every school, in every community, no matter its size. That should be a priority. That would ultimately make the future generations of the province stronger.

Ms. Catherine Fife: Thank you very much. We're going to be watching the spec-ed file very carefully this budget.

Mr. Michael Prue: I have a couple of questions here. The very first deputant this morning was from the Canadian Taxpayers Federation, and you'd probably not be surprised, but she was diametrically opposed to what you said. She says that we should cut programs; we should balance the budget; we should not increase any taxes. What do you think would happen if the government bought into that?

Mr. Fred Hahn: Well, we don't have to look much further than in other jurisdictions. There are others who have been trying to do this—in fact, we're headed down this road in Ontario—and it's simply not working, so much so that when the International Monetary Fund, not known to be—I often am not found to be quoting the International Monetary Fund and agreeing with them on policy, but the economics of this simply outweigh the ideology. You cannot cut your way to prosperity. There must be a fair way of generating revenue for public services that help the economy and that ultimately help the economy to grow. That is our history.

In fact, all we have to do is look after the Second World War. There were huge deficits, and what did

governments do? They taxed fairly; they spent, they built infrastructure and public services that ultimately helped economies and communities to grow. There was an ideology, and certainly it's been dominant over the last number of years, but increasingly, economists, groups like the IMF and others, are understanding that this isn't working in our economic system and that we need a different direction in order to grow the economy for everyone.

Mr. Michael Prue: Now, in terms of some of the recommendations you were making, I'll just pick one here: child welfare. You have a chart that shows if you do certain things, you get much more bang for your buck. I'm not familiar with this Informetrica group that's done it. I've not seen this kind of thing too often in the past. Who are they and why are you relying on this?

Mr. Fred Hahn: It's actually based on federal government and provincial government financial figures. What it does is it looks at the economic generators for various measures. You'll see, for example—we often hear that if we cut corporate taxes, it will generate growth in the economy, and it does generate growth, a very small amount of it. But an investment in a service like child care, for example, has demonstrated each and every time it has happened that the economic return for that investment is more than two and a half times what is invested. It creates more jobs and it actually helps to grow the economy. These are figures that economists who are much smarter about this stuff than I am have calculated, but these are acceptable figures based on government information, and they are used widely by economists.

Mr. Michael Prue: Do I have any time?

The Chair (Mr. Kevin Daniel Flynn): You've got six seconds.

Mr. Michael Prue: Thank you very much for coming.

The Chair (Mr. Kevin Daniel Flynn): I knew you'd use it for something. That's why I left it out there. There we go.

Thank you very much for coming, Fred; great presentation.

CANADIAN RENEWABLE FUELS ASSOCIATION

The Chair (Mr. Kevin Daniel Flynn): We're getting down to our last two presenters for the day. The next one is the Canadian Renewable Fuels Association, Scott Thurlow. Scott, have a seat, make yourself comfortable. Fifteen minutes—use it any way you like. If there's any time left, it's going to go to the Liberals this time.

Mr. Scott Thurlow: Thank you very much, Mr. Chairman. On behalf of the Canadian Renewable Fuels Association, I want to thank you for the opportunity to speak to you here today.

CRFA members provide Canadians with renewable, clean-burning ethanol and biodiesel, fuels that help fight climate change and combat pollution like smog. At the same time, our members provide the platform to develop the next generation of biofuels.

As an association, we want to ensure that Ontario's renewable fuels policy succeeds in creating quality jobs, especially in rural areas, and delivers the fullest, most significant environmental and economic benefits possible.

I want to begin by talking about the success of this government as it relates to the production of ethanol. As my friend from the Grain Farmers of Ontario said to this committee last week, the policies enacted by this government on corn ethanol have created jobs and rural income and encouraged private sector investment.

1750

An integral piece of that policy is the Ontario Ethanol Growth Fund, the OEGF. We estimate that as a result of the OEGF, Ontario stands to generate \$9 billion in economic activity over the next 25 years; significant tax benefits to Ontario—over \$52 million per year; rural employment in areas that are economically disadvantaged; and an industrial platform for the next generation of products, whether that's biofuels, nutraceuticals, green chemistry or value-added co-products like dried distillers' grains.

In Ontario today, as a result of the OEGF, we have research trials for the development of cellulosic ethanol from various energy crops and agricultural residues like corn cobs and stover. There is also the cultivation of new energy crops, which will provide agricultural opportunities for marginal lands like the old tobacco lands.

The OEGF is a textbook example of what a business support program should look like. It has clearly articulated objectives. It has structured eligibility criteria. It has a disciplined screening and approvals process, caps on incentives and a variable incentive rate like a safety net, and most importantly, a defined incentive period.

Finally, as a precondition to that program, we have reinvestment into the province to occur to ensure the innovation of our industry. This program deserves an A-plus from industry and farmers for delivering on its objectives.

We must ensure that the OEGF funding remains available under existing contribution agreements. This remains the best way to ensure that the enormous potential for biofuels and the broader bio-economy in Ontario can be realized.

Our association has also been advocating for the creation of a renewable-diesel mandate in the province of Ontario. I have provided the committee with copies of a handout which details our proposal. We have asked the government to implement a 2% renewable-diesel mandate from fuels derived from soybeans, recycled restaurant grease and rendered animal products. We want to have that mandate replace an existing tax credit and limit the potential tax exposure, which could be as great as half a billion dollars over the next decade.

When compared to traditional diesel, these fuels reduce greenhouse gas emissions by up to 99% and also reduce smog. Evidence shows that mandated levels of renewable content in fuel creates market demand that

boosts rural income, creates jobs and encourages private sector investment.

As my friend from the Grain Farmers of Ontario said the other day in Windsor, 2% of the Ontario diesel market is approximately 160 million litres of renewable diesel annually. If that happens in Ontario, it could mean a market for 680,000 tonnes of soybeans in Ontario.

As some of you may already know, in 2011 the federal government introduced a mandate requiring renewable diesel at a minimum amount of 2% as part of its renewable fuels strategy. The federal regulations have created a market for 600 million litres of renewable diesel nationally, and as a result of this federal mandate Ontario can expect to see significant biodiesel blending in the province from the major oil companies due sheerly to its size. That blending is what I describe as functionally voluntary, meaning the size of the market requires that some blending happens, but nothing requires it. The primary suppliers, if they so chose, could do all of their blending in Alberta or Saskatchewan or Manitoba or British Columbia, where mandated markets for renewable diesel exist.

This is a significant matter for our companies, who want to expand in Ontario, but are told by lenders that the western provinces are a better place to invest because of those guaranteed mandated markets. The fluidity of the market in Ontario doesn't make it as reliable for investment as Alberta, British Columbia, Saskatchewan and Manitoba, all of whom have at least a 2% mandate; in the case of British Columbia it's 4%.

It's a difficult Catch-22 for our members. We know that the blending is occurring in Ontario, but we can't capitalize on the major investments that the blenders are making because we can't get that security from our lenders to build on. Complicating matters even further is the existence of the Ontario biodiesel tax exemption. Under the current regulations, Ontario exempts biodiesel from the provincial fuels tax of 14.3 cents per litre. The tax exemption is not attracting provincial biodiesel investment as intended. This is because the tax exemption goes to the obligated parties—the traditional oil and gas companies—as opposed to the biodiesel producers.

To be clear, my association sought this tax exemption in 2002. When it was created, it was instrumental in leading to the construction of the Biox facility in Hamilton. I admit it must seem odd to hear a stakeholder seeking to repeal the tax exemption that it sought once before. The exemption, however, was created in an environment where the federal mandate didn't exist. With that new federal mandate, the continued existence of the tax exemption has exposed the government to significant tax leakage with no antecedent benefit to industry in Ontario.

Based on a 2% blend—which is actually quite conservative—as a result of the federal mandate, this exemption represents exposure to potential tax leakage of at least \$286 million over the next decade. Unfortunately, most of the lost revenue is attributable to biodiesel production outside of Ontario. So why is it conservative?

Well, there's a very real chance for over-compliance in Ontario, like we've seen with ethanol, for example. We have a 5% mandate, but the majors are blending at closer to 8% or 9%, because they've made that investment here in Ontario, and they're going to take advantage of it.

If similar over-compliance for biodiesel happens under the current rules, the tax exposure grows concordantly. For every additional 0.25% of biodiesel that's blended in Ontario, taxpayers are exposed to an additional \$4 million of lost potential revenue per year. If 4% is blended—most original equipment manufacturers will allow up to 5% in their trucks; actually, all of them do, and some of them admit as much as 20%—this is possible: We're looking at half a billion dollars of exposure over the next decade, and it's key that we're talking about exposure.

As opposed to encouraging investment in Ontario's biodiesel sector, the tax exemption is now serving to subsidize the federal regulatory compliance costs of the petroleum sector without promoting any corresponding investment in Ontario.

A provincial 2% biodiesel mandate to match the federal mandate is a better option for farmers and the province than the current tax exemption. Having an Ontario mandate will force the blending to take place in Ontario, a mandated market rather than a voluntary one.

To solve both problems, we propose to simultaneously repeal the biodiesel tax exemption and replace it with a 2% renewable diesel mandate. This will prevent the tax leakage I alluded to, resulting from compliance with a federal regulation, while providing the regulatory certainty needed for investment in biodiesel expansion here in Ontario.

As you are no doubt aware, Mr. Hardeman's white paper from last week endorsed the proposal in their agricultural white paper. We hope, as do Ontario farmers, that this is an opportunity for bipartisan, if not tripartisan, support for our industry.

I am also happy to answer any questions about the performance of this fuel, which has literally hundreds of millions of on-road demonstrated miles of effectiveness. Please know that any truck that is entering Ontario from the United States and any truck that leaves Ontario that goes to the United States will have biofuel in its fuel when it gets to Ohio, Michigan, Pennsylvania, New Hampshire, Vermont, New York. Any one of these US states is required to blend biodiesel into their fuel—all the more reason for us to have a mandate here in Ontario as well.

I sincerely appreciate the opportunity to speak to you on behalf of Canada's renewable fuels industry, and I am happy to answer questions that you have about this proposal and how it can benefit rural Ontarians, protect the air we breathe in our cities and build out an industry for the future.

The Chair (Mr. Kevin Daniel Flynn): Scott, thank you very much. The questions go to the Liberals, and we've got about five minutes. Steven?

Mr. Steven Del Duca: Thanks, Scott, for that presentation. Just a quick question: What kinds of emissions

reductions would we be talking about with a 2% biodiesel mandate?

Mr. Scott Thurlow: Very significant. Depending on your feedstock, you can get as much as 99% reduction when compared to traditional diesel. If you've got 100 parts of fuel, and you add 2% biodiesel to that, across the province you can look to as much as a full megaton per year, which is approximately getting 250,000 cars and trucks off the roads.

The emissions profile for biodiesel is very, very positive when compared to the diesel that it's replacing. And it's not just GHGs; it's smog-causing chemicals that are emitted through the combustion of fossil fuels.

Mr. Steven Del Duca: Thank you.

The Chair (Mr. Kevin Daniel Flynn): Any further questions? Well, thank you very much. Great presentation. I think we understood it very clearly. We appreciate you coming today.

Mr. Scott Thurlow: Thank you very much.

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ONTARIO FEDERATION OF AGRICULTURE

The Chair (Mr. Kevin Daniel Flynn): The final delegation of the day is Neil Currie from the Ontario Federation of Agriculture. Neil, if you'd come forward and perhaps introduce your colleague. All delegations have been getting 15 minutes, and you can use that any way you see fit. If there's any time left over at the end, the last questions of the day will go to the Conservative Party.

Mr. Neil Currie: Thank you very much, Mr. Chairman. My colleague is actually the president of the Ontario Federation of Agriculture, Mr. Mark Wales, who will be making the presentation this afternoon.

The Chair (Mr. Kevin Daniel Flynn): Perfect.

Mr. Mark Wales: Thank you, Mr. Chair, committee members. The Ontario Federation of Agriculture appreciates the opportunity to outline the priorities of the farm business community in advance of the next Ontario budget.

The OFA is Canada's largest voluntary farm organization, representing more than 36,000 farm family businesses across Ontario. These farm businesses form the backbone of a robust food system, having the potential to drive the Ontario economy forward.

Over 80,000 Ontarians make their living directly on farms and constitute the primary production component of the 718,000 Ontarians that work in the agri-food industry. A recent Ontario agricultural economic impact study found that the production from Ontario farms sustains 164,000 jobs, paying over \$7 billion in wages to Ontario workers. These jobs contributed \$3.4 billion in taxes to all three levels of government, including \$1.2 billion to the government of Ontario. Ontario's farm outputs contributed \$22 billion in gross economic stimulus to Ontario in 2009, with a net value of \$10.7 billion.

Ontario's farming and food sector is an economic engine for the province, and, with sound public policy, is capable of sustainable growth to provide safe, nutritious food and jobs to Ontarians.

Ontario farmers work closely with the government to develop the Risk Management Program, RMP, for six commodities. The RMP helps manage farming risk. The farming community wants to ensure continuation of the Ontario Risk Management Program as a fully funded program, but without the \$100-million program cap. Administratively, the cap delays claim payments by up to one year and shifts additional risk to farmers.

The productivity of farming has soared above almost all other industries until recently. These productivity improvements were the direct result of significant publicly funded research. To remain competitive, Ontario should move immediately to increase the funding for university-based agricultural research to \$100 million annually.

The OFA has worked closely with our colleagues from across Canada and across the agri-food sector to develop a national food strategy. We are now working within Ontario's agri-food sector to translate this vision into an Ontario local food act, although our preferred title would be an Ontario food and farming act. We believe that an investment in local food procurement, food literacy and health education in our schools, along with programs and regulatory reform enabling improved food access, will be an investment that pays continued long-term dividends. These dividends will be an improved farm economy and better health for all Ontarians.

Modern infrastructure is a prerequisite for a successful rural economy. The OFA contends that sound investment in rural infrastructure—roads, bridges, culverts, electricity, natural gas—will not only enable but will also drive growth in our farming and food sector.

Reliable energy—reliable and affordable energy—is a critical success factor for farming today. Expanding access to natural gas into rural Ontario will make farms more competitive and enable new combined heat and power clusters. Combined heat and power is a simple model whereby gas generates electricity within a cluster, thereby also providing heat for industry. It will work exceptionally well in the greenhouse industry and would facilitate highly competitive food processing clusters across Ontario.

We strongly urge the Ontario government to invest in natural gas expansion and to adopt a combined heat and power strategy.

Ladies and gentlemen, these are some of the areas of importance to the farming and food sector in Ontario that are worthy of investment. We look forward to your questions. Thank you.

The Chair (Mr. Kevin Daniel Flynn): Wonderful. You've left quite a bit of time for questions, just around the 10-minute mark. Julia?

Mrs. Julia Munro: Thank you very much for coming. I wanted to start with the connection here on the agricultural research and the transfer of that technology

onto the farm. Have there been programs that you would identify as ones that are really good models of taking that information and transferring it to the farm side?

Mr. Mark Wales: I guess I'm not as well versed in, say, the university technology transfer, but certainly the FIT program, which has allowed a lot of commodity organizations to do direct on-farm research with the University of Guelph and their researchers. That's been a very good model over the years, because the farm community itself has been able to determine exactly what type of research they need. One of the challenges historically has been making sure that we got the right research, not just researchers getting together and deciding what they want to do or what's their pet project.

We have been able to get more consultation in the last couple of years with the universities. The challenge, of course, is cutbacks to research funding at both the provincial and the federal level in total. It has made it very, very difficult, and the problem is you don't see the direct result of that. You see it a few years out, when we start to become uncompetitive because we fall behind.

Mrs. Julia Munro: I represent the Holland Marsh area. One of the things that I'm aware of, in terms of the technology, is then the question of having the skilled employees. In the greenhouse, it's a computer expert, not somebody who waters the plants.

Mr. Mark Wales: I thank you. One of the other hats I wear is I'm the vice-chair of the Canadian Agricultural Human Resource Council. At a national level, we work on looking at the training gaps in agriculture across the country, and then work with HRSDC to develop programs to fill those gaps. That's one of my pet areas, so thanks.

Mrs. Julia Munro: Thank you.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Lisa? We're down to about eight minutes.

Ms. Lisa M. Thompson: Okay. Thank you.

Our agriculture critic, Ernie Hardeman, did a survey, and 77% of the respondents said the number one issue in Ontario agriculture is overregulation. From your perspective in working with your members, how would you address the overregulation, and where would you go in terms of paring that down?

Mr. Mark Wales: Thanks, Lisa. That actually happens to be, I think, the number one item of our members. I can't remember the survey results. Survey said 83% or 85%, so we've made sure—we've had very good success, I feel, with the Open for Business process that we were asked to lead and then participate in.

A perfect example of a success there is, the greenhouse sector had a problem with regulation by the Ministry of the Environment. They're working now to bring that sector under the Nutrient Management Act. I just met with them this morning, in fact. It's great to be able to have, let's say, a relaxed atmosphere, where we can bring all of the different cross-ministries together and say, "Look, here's a problem." Although we're farmers, and typically we look at the Ministry of Ag and Food, the regulation that may be giving us trouble may fall under

the Ministry of the Environment, the Ministry of Natural Resources, Ministry of Transportation, Ministry of Labour.

I've been fortunate to be part of the technical advisory committee with the Ministry of Labour, so we brought the whole industry under the Occupational Health and Safety Act, back in 2006. Within the ministry, we've been able to put the enforcement and policy sides of ministries together; they typically rarely speak. Putting them in the same room is the first step, and then putting them together with OMAF, ourselves, WSIB and Farm Safety has been a great way to solve problems. The Open for Business process, which I look forward to continuing to co-chair with the minister, is a great way to put cross-ministries in the room and solve problems.

Ms. Lisa M. Thompson: Okay, good. How did your membership react and respond to the separation of agriculture and food and rural affairs into separate ministries? You talk about the relaxed atmosphere and harmonization, and then all of a sudden, two traditional focuses were separated into individual ministries.

Mr. Mark Wales: I guess if we look at the RA part of OMAFRA—if we go back to when it was brought in, I believe Elmer Buchanan was the minister who brought rural affairs into OMAF, and over the years it has been in and been out. On a day-to-day basis, fundamentally, my members don't notice it. At the organizational level, certainly, we will. We look forward to working with Jeff Leal, who's the Minister of Rural Affairs.

What I see as a positive is that there's the same deputy minister and the same parliamentary assistant and a lot of the same staff on the political side, so that helps us, from the position of a lobby organization, to get things done. We're talking to a lot of the same people.

I look forward to seeing the mandate of the rural affairs ministry, and hopefully I'll see that roll out, but so far, it really hasn't been noticed at the farm gate level.

Ms. Lisa M. Thompson: Okay, very good. And one last question: We're in an environment of scarce dollars. As we prioritize, what should OMAF be focusing on in terms of their number one and number two services to your membership?

Mr. Mark Wales: Where do we begin?

Ms. Lisa M. Thompson: I could guess.

Mr. Mark Wales: A lot of the work we're currently doing, of course, on regulatory reform is not the type of thing that really costs a whole lot of dollars. Research, obviously, would require direct funding. We're just about to start the Growing Forward 2 programming cycle for the next five years. That, of course, is federal and provincial shared funding: 60% federal dollars, 40% provincial. In fact, I just came from a meeting with the minister on Growing Forward 2 and the rollout of the non-business risk management programs. That's a priority, but that's already budgeted, it would be my understanding.

I guess in terms of new money—there might be a little bit of new money required if they could expand their Risk Management Program beyond the \$100-million cap, not that it may be needed every year. That's the one

thing: The program's designed to be based on need. Some years it may need under \$100 million; some years it may need more.

The Chair (Mr. Kevin Daniel Flynn): Thank you. Any further questions? Michael? You're good? Very good.

Thank you for coming—very good presentation and very well received.

That is our last delegation of the day. We're adjourning the committee now until 9 a.m. tomorrow—that's the 22nd of March—and notice it's in room 151.

The committee adjourned at 1812.

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Also taking part / Autres participants et participantes

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Clerk / Greffier

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Ms. Anne Marzalik, research officer,

Legislative Research Service

Ms. Susan Viets, research officer,

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**Assemblée législative
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Deuxième session, 40^e législature

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Friday 22 March 2013

Journal des débats (Hansard)

Vendredi 22 mars 2013

**Standing Committee on
Finance and Economic Affairs**

Pre-budget consultations

Subcommittee report

Committee business

**Comité permanent des finances
et des affaires économiques**

Consultations prébudgétaires

Rapport du sous-comité

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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRSCOMITÉ PERMANENT DES FINANCES
ET DES AFFAIRES ÉCONOMIQUES

Friday 22 March 2013

Vendredi 22 mars 2013

The committee met at 0901 in room 151.

PRE-BUDGET CONSULTATIONS

The Chair (Mr. Kevin Daniel Flynn): Okay. If all the members would take their seats, please, we'll get started.

REGISTERED NURSES'
ASSOCIATION OF ONTARIO

The Chair (Mr. Kevin Daniel Flynn): I understand our first delegation is here. Thank you all for being here who are sitting in the audience there. Our first delegation today is from the Registered Nurses' Association of Ontario.

Doris, if you'd like to come forward and bring whoever you're bringing. Make yourself comfortable. You can introduce your colleagues.

Everybody is getting 15 minutes today. You use that any way you see fit. If, at the end of that, there's any time left over, the questions will go to the Conservative Party the first time around.

Ms. Doris Grinspun: Fantastic. Good morning.

The Chair (Mr. Kevin Daniel Flynn): Welcome. Thank you.

Ms. Doris Grinspun: Good morning. My name is Doris Grinspun, and I am the CEO of the Registered Nurses' Association of Ontario. With me today is our senior economist, Kim Jarvi.

RNAO is the professional association for registered nurses who practise in all roles and sectors in Ontario. Our mandate is to advocate for healthy public policy and for the role of registered nurses in enhancing the health of Ontarians. RNs understand all too well the impact that budgets have on health and on the nursing profession, and we welcome the opportunity to present to the standing committee today.

We have a simple message: We want balance in the budget.

Yes, there must be balance between expenditures and revenues so that the debt and deficits don't get out of hand. But a balanced approach means much more.

A balanced approach also asks what expenditures are necessary to maintain and build a healthy society.

A balanced approach asks how we pay for those services.

A balanced approach asks how much debt is appropriate and prudent.

A balanced approach asks how and when we reduce the debt and deficit, taking into account the state of the economy and the needs of society.

A balanced approach asks how to rectify problems arising in our market economy, such as recession, unemployment, poverty, pollution and environmental degradation.

These are the kinds of problems that lead to ill health and the early onset of chronic conditions. Yes, they also lead to complications of chronic conditions. They affect all of us, but they affect our most vulnerable populations disproportionately. If we focus on one budgetary objective—the deficit—to the exclusion of the others, we contribute to ill health. In addition, an austerity approach will also worsen an already weak economy. Based on pre-recession employment rates of 63.5% and a 2012 rate of 61%, there is a shortfall of 250,000 jobs.

Increasingly, those fortunate enough to have jobs are part-timers who want full-time positions—over 400,000 people—and the majority of those workers are, of course, female. That is a lot of slack in the economy and a lot of hardship. I want to begin now with nursing and the budget.

Nursing care: Our nursing recommendations will sustain the RN workforce, maximize their contribution to health care and get the best value out of the health care expenditures of Ontario. RNs have experienced on-again, off-again treatment at budget times. In the mid-1990s, they were likened to hula hoops by the then Premier of the day and let go in the thousands. Many RNs educated at public expense had to seek employment south of the border, and it proved impossible, despite the costly efforts, including those of RNAO itself, to bring them back. RN workloads soared, and burnout led to increases in sick time, agency use and a vicious downward spiral that hurt patients, RNs and health care organizations. Yes, it did hurt the system. If you remember, we even cancelled many necessary surgeries.

Recognizing the error, the McGuinty government worked to undo the damage by committing to hire thousands of RNs. The strategy worked, and nurse-to-population ratios started improving. However, the 2008 recession led to austerity measures that fell particularly hard on RNs, and the result for the last two years has been a decline in RN employment. For two years in a

row, we have seen fewer and fewer RNs in this province. Ontario, in fact, has the second-worst RN-to-population-ratio in the country, way shorter than the average. Ontario needs almost 17,000 more RNs to catch up with the rest of the country.

So we are asking, for a beginning: Add 9,000 RN FTEs by 2015 in order to start the catch-up with the rest of the country.

Second, reach the desired provincial target of 70% full-time employment for all nurses so that patients have continuity of care and care provider. On this front, we are well on our way.

Certain sectors such as home care have less attractive compensation for nurses, which causes recruitment and retention problems in those sectors. Third recommendation: Secure fair wages for nurses and nurse practitioners working in all sectors of health care. Way too often we see nurse practitioners moving from primary care to hospital care simply because they're paid significantly better; however, we say we want to move them to primary care. We need nurse practitioners in primary care.

RNs are highly motivated and highly educated, and they want to do more to expedite high-quality and cost-effective access to health care. A health care system anchored in primary care where each inter-professional team member is enabled to work to the full scope of practice will bring health care closer to people and make best use of investments made in the health care system. Finally, we will be able to focus on health promotion; that is, prevention and population health goals.

Fourth, maximize and expand the role of RNs to deliver a broader range of care, such as ordering lab tests and prescribing medications. In fact, this is not a new recommendation. This recommendation was sent at the time to HPRAC, and it is something that is happening already in BC, Alberta, Saskatchewan and Manitoba. In fact, RN prescribing has been happening in the UK for the past 15 years. If it is in the UK, why not in Ontario?

Recommendation five: Ensure all existing nurse-practitioner-led clinics are funded to operate to full capacity, and open new nurse practitioner-led clinics where patient needs exist. Ontario has many infrastructures that are not fully used, both in nurse practitioner-led clinics, community health centres and in family health teams. They're not fully used, those infrastructures, to the detriment of the public, simply because of operational funds that sometimes are minimal and could give much more access for the public.

To protect the safety of our seniors—and I do not need to tell you much about that, given all that has been in the news—and to ensure their timely access to quality care, phase in new minimum staffing standards in long-term care, starting with a minimum of one nurse practitioner per 150 residents. We have been asking for this since 2007. Let me tell you, not only tragedies could be prevented, but in fact, we could save dollars on residents in long-term-care facilities who are being sent to emergency departments to actually deal with a simple urinary tract infection. There is no need for that. They come back

more confused, and they come back with pressure ulcers. It costs the system, and it costs their families and them more as people.

0910

Improve navigation across our complex system by partnering with patients to coordinate their care through primary care in community health centres, nurse practitioner-led clinics and family health teams.

Commit to providing all Ontarians with access to integrated inter-professional primary care by 2020. You may be asking, "Why am I saying this now?" Well, because I'm also asking that right away we move to RN prescribing and to more full utilization of all health care professionals. If we don't move faster, we aren't going to reach inter-professional care by 2020.

To ensure coordination between the various elements of our health system, we must secure system integration and decrease duplication. To achieve this, we ask that government support local health integration networks to achieve regional health system planning, integration and accountability for all health care sectors, using an evidence-based and person-centred approach rooted within a population health, primary health care framework. It is time that the local health integration networks, the LHINs, start to do planning for the entire system, not just for a portion of it.

We have a three-year plan—some of you may know it as the ECCO model—that recommends our number 10 recommendation: to transition, as we speak, the 3,500 case managers and care coordinators from community care access centres, CCACs, into primary care, through a carefully crafted labour-management strategy that retains their compensation, and work towards eliminating CCACs by 2015. Yes, you heard correctly: We are recommending to eliminate CCACs by 2015. If we continue to have overlaying structures of coordination, we aren't going to achieve system integration. It's as simple as that.

Let me refer now to social determinants of health, because nurses believe that it's not only about illness, but actually it's about what keeps us healthy and what sustains our health. There is a strong correlation between income and health. Nurses know this first-hand from their practice. Poor people live in less healthy circumstances and face greater stresses. As a result, they suffer higher rates of ill health and early onset of chronic disease, and, yes, they die much earlier. Ontario may be facing economic challenges, but this is no excuse to tolerate high levels of poverty, particularly in First Nations. But not only in First Nations: Go to some areas in Hamilton, and you will see that we live only till 65 years old. That is a shame.

The good news is that we know public policy makes a difference. Ontario's first poverty reduction strategy was released in December 2008. Early investments in increasing the Ontario child benefit helped reduce the number of children living in poverty by 29,000 in 2010 compared with 2008 despite the global recession.

We are proposing, (1) to transform the social assistance system to reflect the actual cost of living, and (2) to

improve access to affordable housing by leading in negotiating a federal-provincial long-term affordable housing agreement and committing at least \$132 million annually to the agreement and by capitalizing the affordable housing loan fund at Infrastructure Ontario by \$500 million.

The last recommendation, and equally important is to increase the minimum wage to \$11.50 this year, \$12.75 in 2014 and \$14.50 in 2015. Let me tell you, it is not outrageous. It only would bring people to 10% above the poverty level.

Let me refer to environmental determinants of health. Nurses know that the environment is a critical determinant of health, and we have seen great progress in Ontario with the legislation to ban pesticides.

Here are our recommendations for this time: Close the remaining coal plants as soon as possible—this will be a cost-saving measure—we'll save lives, we'll save disease and we'll save money; ensure people have the right to know about the existence of toxins in the environment, in their homes, in their workplaces and in consumer products. Again, this will save funding.

The Chair (Mr. Kevin Daniel Flynn): You've got about a minute, Doris, and I know you've got a few recommendations to go.

Ms. Doris Grinspun: I will go to the recommendations on medicare:

- commit to and expand our publicly funded, not-for-profit health care system, especially in areas of home care;

- reject efforts to commercialize and privatize, and immediately stop medical tourism that already exists in our hospitals;

- focus on well-researched and demonstrated policies that are based on clinical practices to optimize the health of families, communities and everyone.

Many of our measures we propose will save money in the short and long run. Lastly, that's why we say, ensure fiscal capacity to deliver all health, social and environmental services by building a more progressive tax system to ensure social responsibility and environmental responsibility, and prevent tax evasion. Thank you very much.

The Chair (Mr. Kevin Daniel Flynn): You've got one more to go. I'm quite happy to let you go with that. You're very close to the end, so it will only take you a few seconds, I think.

Ms. Doris Grinspun: Thank you.

The Chair (Mr. Kevin Daniel Flynn): Then you won't tell me I cut you off.

Ms. Doris Grinspun: You're very kind. Thank you very much.

Phase in environmental levies, such as the carbon tax, to help pay for the damage polluters cause and to support the social programs and services most needed by at-risk populations. Thank you so much for having us here today.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Doris, for being here today. Unfortunately, there's no time for questions. Great report.

CANADIAN AUTOMOBILE ASSOCIATION

The Chair (Mr. Kevin Daniel Flynn): Our next delegation this morning, after the RNAD, is the Canadian Automobile Association. Is Elliott here? Elliott, if you'd like to come forward and make yourself comfortable. Like every delegation, you get 15 minutes. Use that any way you see fit. If there's any time at the end, this time the questioning will go to the NDP. I'll let you know when you're getting near the end, if we get to that point.

Mr. Elliott Silverstein: Fantastic. Thank you.

Good morning, Mr. Chair, and members of the Standing Committee on Finance. My name is Elliott Silverstein, and I'm manager of government relations at CAA South Central Ontario.

CAA is a national, not-for-profit auto club, and has been advocating on behalf of members since 1903. Today's CAA serves over 5.8 million members across nine clubs throughout Canada. CAA South Central Ontario is the largest club in the federation, serving over 1.9 million members as far west as Windsor, north to Sault Ste. Marie and east to Kingston. Advocacy is the origin of CAA's existence, from lobbying for the construction of the Trans-Canada Highway, the installation of road signs across the province, our involvement in the launch of the RIDE program, introducing seat belts in all vehicles and advocating for distracted driver legislation, all of which are designed to make our roads safer for all users.

Today's CAA continues to advocate on behalf of its members and the motoring public at both the provincial and municipal levels of government. This includes a number of core programs, including our School Safety Patrol program, Watch for Bikes, and our annual Worst Roads program.

Through these and other initiatives, CAA works with local communities and governments alike to educate the public and call for improved transportation infrastructure. Our members are not just motorists. Our members are cyclists. Our members use public transportation systems. They understand the importance of an integrated transportation system, regardless of the mode that one travels and chooses. Our presentation today will focus on a couple of key areas important to CAA. They include driver training, dedicated funding, road infrastructure and gridlock.

One of CAA's longest-standing services for over five decades is driver training for beginners, mature drivers and corporate fleet services. With media reports surfacing in recent weeks regarding the industry, CAA believes there are opportunities for the government to address some of these challenges.

Since 2009, in order to begin to provide beginner driver education, all Ontario driving schools are required to deliver a novice course curriculum that has been Ministry of Transportation-approved. CAA's How to Drive beginner course is an approved curriculum by the MTO and recently received accreditation from the group Parent Tested Parent Approved. Our Approved Driving

School Network, ADSN, consists of 21 affiliates and over 30 classrooms across the province, all providing a common, ministry-approved curriculum to future drivers.

However, there is a common challenge across the industry, including CAA's driver training services, and that is the cost of insurance for driving instructors. Given the astronomical cost for a driving instructor to provide in-car services, with many examples being in excess of \$10,000 per year per instructor, it is difficult, if not impossible, for instructors to make a living when their annual expenses are so high and continue to rise. The result is what we've seen on the front pages: unlicensed schools offering services at reduced rates and would-be drivers not receiving ministry-approved curriculum.

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The situation is twofold: It poses a considerable risk that tomorrow's drivers are not adequately prepared for driving on Ontario's roads, which leads to the potential for an increase in collisions, and that qualified instructors are walking away from an industry due to costs, creating a significant gap that will only worsen without immediate action.

Recent ORSAR reports highlight that Ontario has some of the safest roads in North America. CAA proudly works with the road user safety team at the MTO to continue educating road users in an effort to keep our roads safe.

The issues within the driver training sector have the potential to challenge the province's safety achievements and uproot many of the developments made in this space. It is vital that a process review of these issues and others that have been reported on with respect to driving instructors be initiated. CAA encourages the government to investigate these matters with key stakeholders in an effort to ensure that Ontario's roads remain safe, revitalize an industry plagued with challenges—and that driver training services are delivered in accordance with ministry guidelines. The results would benefit all users.

When we talk about gridlock and the need for a regional integrated transportation network, there's a growing misconception that traffic flows into the downtown core in the morning rush hour and back to suburbs in the evening. CAA's head office is located in Thornhill just north of Toronto, and a morning driving on the north-bound DVP will illustrate that traffic is flowing in more than one direction during peak times. The reality is that nearly half of Ontarians spend over an hour commuting to and from work each day by vehicle or transit. Solutions are needed.

CAA has repeatedly advocated for an improved road infrastructure across the province, an issue of importance that is illustrated each year as part of our Worst Roads program. In addition, CAA has shown its support for the expansion of our road network; for example, the expansion of the 427 highway north to help alleviate congestion issues experienced in and around the Brampton and Vaughan areas.

Further, CAA is excited at the introduction of the TTC's first subway stops outside of Toronto, when the

Spadina line expands into York region, providing greater access and alternatives for commuters within the 905 region.

The GTHA is in need of an integrated regional transportation network, and with Metrolinx releasing its recommendations in about two months, it is imperative that Queen's Park ensures that any funding for the Big Move initiatives are not only dedicated, but that there's a fair balance to ensure that consumers are not disproportionately charged through any revenue streams.

CAA recently conducted a survey with nearly 5,000 members, and the results were conclusive: 72% of respondents agree that the source of funds for new and expanded transportation should be shared among businesses and consumers. Similarly, 88% of respondents said any new money generated and collected for transportation should be dedicated to infrastructure projects. But let's take a step back and note that the discussion on revenue sources reignited recently with four revenue options coming to the surface: a regional sales tax, a parking levy, a fuel tax and high-occupancy toll lanes.

Much of the discussion has concentrated on achieving \$2 billion or more annually in revenue for the next 25 years to pay for the Big Move. It's critical that this issue not be examined solely at a macro level. For consumers across the region, addressing the impact of this conversation must be done at a micro level.

The one question not asked through all of this is: What will the cost be to consumers? A quick analysis shows that a 1% regional sales tax would cost a household approximately \$600 annually. High-occupancy toll lanes would likely be introduced at 25 cents or 30 cents per kilometre and as a voluntary choice by motorists to access those HOV lanes. The parking levy suggested at \$1 per day per non-residential parking spot could conceivably be off-set on consumers. Lastly, a motorist who drives a mid-size sedan, filling their 60-litre tank once per week, will be paying approximately \$312 more annually through a 10-cent-a-litre fuel tax.

There will be much conversation prior to and following Metrolinx's report. However, CAA's concern is on two fronts. First of all, while CAA recognizes that consumers, drivers included, will need to help pay to fund the Big Move projects, conversations this week begin to imply a disproportionate burden on consumers versus business. Businesses benefit from an expanded transportation network in a multitude of ways, and it is incumbent that the sector contribute its fair share towards solutions, just as drivers should.

Second, CAA is concerned with the prospect of a second gas tax levied on gasoline and diesel sales. The existing gas tax is not dedicated to infrastructure initiatives, and it is difficult to accept the prospects of an additional levy when government has yet to fully earmark these funds to road infrastructure improvements.

CAA's position on dedicated funding is long-standing. In fact, in 2010 and 2011, we called upon the province to direct a portion of the new provincial revenue generated from HST charged on gas and diesel sales to a predict-

able funding mechanism. That would better enable municipalities to make critical investments needed to maintain and build transportation infrastructure.

At the time, CAA engaged municipalities and the public through a petition. The result: 177 municipalities representing over six million Ontarians endorsed our position through resolutions. Over 10,000 Ontarians signed our petition, and it was introduced in the Legislature in early 2011.

There's often mention of how health care and education are critical cornerstones of our province. Transportation is equally as critical. It is vital to our economy, society and environment, and directly impacts all our daily lives, regardless of our mode of travel. Ontario needs sustained investment in existing roads and infrastructure to address the dire need for expanded transit in the GTHA and to ensure Ontario's road infrastructure network across the province continues to be the safest in North America.

As part of the final report by the FSCO automobile anti-fraud task force, one recommendation the task force made was provincial regulation of the towing industry. When examining the towing industry, there is considerable opportunity to enhance and further the industry in a number of ways, including establishing standards and safety criteria to protect both tow truck operators and motorists.

CAA has been at the forefront of safety training and safety standards in the industry, and we believe there's an opportunity to raise the bar, create new standards and ultimately improve the profile of the industry. In addition, there's a significant opportunity to provide consumer protection in an area where it is desperately needed. With some municipalities bound by towing regulations and others unregulated, consumers currently face very different experiences, rates and service, depending on the municipality.

Modernizing the industry and exploring opportunities to regulate the industry through a delegated administrative authority is a process that CAA supports. We believe there's an opportunity to work with industry stakeholders, police and various government ministries to address and resolve the challenges the industry currently faces.

In short, Ontario has consistently been recognized as having some of the safest roads in North America. While Ontario serves as an excellent model for other jurisdictions to follow, the province continues to be plagued by gridlock and challenges in some key sectors. Traffic congestion has reached critical proportions, and it is vital that we improve our transportation infrastructure to meet our escalating demand. In addition, the daily commute is stressful, as gridlock is hurting our health, family well-being and productivity. Lastly, improved mobility and decreased congestion benefits us all.

Addressing these challenges of driver training and towing will not only help those industries but further enhance Ontario's road network in the short term and the long term. Thank you.

The Chair (Mr. Kevin Daniel Flynn): That's great. Thank you very much, Elliott. You've left about four minutes—just under four minutes—for questions. Michael or Catherine?

Mr. Michael Prue: Yes, I have a few questions. First of all, thank you for the deputation. CAA, in my opinion, does a pretty good job in this province.

Mr. Elliott Silverstein: Thank you.

Mr. Michael Prue: You raise the issue about insurance for instructors. That's a bit of a thorny issue, because I don't know how the government tells insurance companies to set the rates for individuals who spend literally their entire working life in a car. It would seem somewhat logical that people—truck drivers, taxi drivers, instructors—who spend eight, 10 hours a day in a car would pay more than someone who uses the car to go down to get their groceries. Can you explain what you're looking for in this budget around that issue?

Mr. Elliott Silverstein: Certainly, I think that right now we need a conversation. With the industry facing twofold challenges—number one, the fact that there are a lot of unregulated actions taking place—when people are paying \$10,000 a year out of their pocket for that type of insurance, it is a deterrent for them to be part of the industry.

Certainly, we want to have safe roads. We don't have the solution to that problem. We certainly want to address it and say that this is something that we have been told is a deterrent, and that it has been making people walk away from the industry, and that if we are looking at having safe roads, this is something that we need to identify and see if there is a possible solution to it.

Mr. Michael Prue: My second question relates to the infrastructure. I thank you for your comment that you believe that consumers should not pay a disproportionate amount of money towards new roads and new systems in the GTA. There was a poll yesterday—I read it in the paper—that 52% of the people of the GTA disapprove of the board of trade's solution. Only 30% approved of it, and the rest really had no opinion. I'm not surprised after day one.

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But we are seeing a good deal of consumer pushback. People are thinking that they're taxed to the limit and those kinds of things. How do you propose getting industry or commerce to pay their fair share?

Mr. Elliott Silverstein: It's an interesting question, and certainly the conversation we've been having with Metrolinx is they've had a multitude of different options to look at. The board of trade's presentation certainly is their perspective, and I respect the fact that they've been first out of the gate to present some ideas. The challenge is that we need to find a blended solution that everybody pays their fair share.

I'm eager to see what Metrolinx's report is on June 1 and to see what their recommendations are. There needs to be that balance, because we don't want to have a situation where consumers are paying in excess of \$1,000 a year disproportionate to what businesses would be

contributing, because we do all benefit from these types of services. Having expanded transportation services will help the flow of goods, will help traffic issues, will help employees get to their destinations.

It's an important conversation. I think that right now we're dealing with a lot of hypotheticals, and I think that once we get the report and have an idea of where their plans are going, we can certainly have a much more detailed conversation on that.

The Chair (Mr. Kevin Daniel Flynn): We're down to the last minute, Michael. It'll have to be a brief one.

Mr. Michael Prue: Okay. The last minute, yes.

Just in terms of the CAA, though, what you're looking forward to when these plans unroll is for a plan that will better balance between what industry and commerce pay and what the consumer pays. In the ultimate end, that's what you're looking for?

Mr. Elliott Silverstein: Correct, yes.

Mr. Michael Prue: Okay. Thank you very much.

The Chair (Mr. Kevin Daniel Flynn): Great. Thank you, Michael. Thank you, Elliott, for being here this morning.

CANADIAN FEDERATION OF INDEPENDENT BUSINESS

The Chair (Mr. Kevin Daniel Flynn): Our next delegation this morning is from the Canadian Federation of Independent Business. If Nicole and Plamen are here, if they'd come forward. Make yourselves comfortable. Like everybody else, you get 15 minutes. You use that any way you see fit. If there is any time left over at the end, it will go to the Conservatives. If you start to run out of time, I'll signal you—

Mr. Monte McNaughton: No, it's the Liberals.

The Chair (Mr. Kevin Daniel Flynn): I'm sorry, the Liberals. Don't say anything, Michael. I know what you're going to say. If there is any time left, it will go to the Liberal Party. It's all yours.

Mr. Plamen Petkov: Great. Thank you, Mr. Chair, and good morning, ladies and gentlemen. My name is Plamen Petkov. I'm the Ontario director of the Canadian Federation of Independent Business. I'm joined here today by my colleague Nicole Troster, who is Ontario's policy analyst.

Thank you for the opportunity to address you today and to present our pre-budget recommendations on behalf of our 42,000 small and medium-sized business members in the province of Ontario.

We've provided you with a copy of our presentation. It's in the folders that are being circulated to you on the right-hand side. We'll go through the slides here briefly, and I'll try to leave some time for questions as well.

On the first couple of slides here, you'll find the results of our most recent Business Barometer survey, which we do every month. It measures small business expectations in the province. What we can tell here is that small business confidence has been in a holding pattern in the last six months or so with an index level between

60 and 65, and Ontario is still slightly trailing the national average.

On slide 3, when it comes to employment plans, it is good to see that a quarter of small businesses plan to increase employment and plan to create new jobs. At the same time, a large majority of about 67% say that they will maintain current employment levels. Ultimately, entrepreneurs are driven by hope, and we believe that this budget is a great opportunity for the province to invest in the hope and optimism that would spark small business growth and job creation.

On slide 4, you will see the list of issues that are of top importance to small businesses. This ranking here is actually based on a survey that we conduct with our membership face to face at their place of business. The top four priorities for our members and for small businesses in general are: total tax burden, government regulation and red tape, government finances and workers' compensation. Our recommendations today for the spring budget touch on member priorities in each of these four areas.

So, when it comes to total tax burden, on slide 5, you will notice that payroll taxes affect the growth of small businesses the most, and that is because payroll taxes are profit-insensitive. Business owners have to pay them regardless of whether they make any money or not. In a fragile economic context, such as the one that we're in right now, this could prove quite harmful to small businesses and to the overall economy.

On slide 6, one specific measure that could alleviate the payroll tax burden is an increase in the employer health tax exemption. It is encouraging to see that the throne speech last month set expectations for the government to move in that direction and to increase the exemption. We believe that a move in that direction would benefit not just small business owners but all Ontarians, as payroll tax savings would be invested in creating more jobs and increasing wages.

I'll turn it over to my colleague Nicole Troster now to outline some of our other pre-budget recommendations.

Ms. Nicole Troster: On slide 7, you'll see that another area where the province can support small business is by providing more options for retirement savings. One such option of appeal to business is a pooled registered pension plan, or PRPP. As you can see from the chart, the top two barriers that prevent small businesses from offering retirement savings vehicles are overall cost and administrative burden. We believe that a low-cost, voluntary and administratively simple PRPP as outlined by the federal government and introduced by BC, Alberta and Saskatchewan would help to overcome these barriers while improving the retirement savings of business owners and their employees.

On slide number 8, you'll see that you've heard from us on many occasions that regulation and paper burden is a hidden tax, especially for small business. We estimate that it costs businesses \$11 billion per year to comply with obligations from all levels of government. This burden is the highest on the smallest of firms, which pay close to \$6,000 per employee to comply. We were

grateful to have the opportunity to work with the Minister of Economic Development and Innovation last year to conduct round tables with CFIB members. As a result, the government committed to a five-point plan to alleviate the regulatory burden for business. Our members' expectations are that the government will deliver on this plan, and they would like to see evidence of this in the budget.

On slide number 9, given the massive provincial deficit, our members realize that changes cannot happen overnight. However, their expectations are that the government will balance the budget in the medium term. That is why we strongly encourage the province to stick to its target of eliminating the deficit by 2017-18 or sooner.

On slide number 10, one specific measure to help achieve this is to reform the arbitration system. Despite the province's efforts to control spending, there have been instances where arbitrators did not follow suit when settling public sector labour disputes. With that in mind, we recommend that the province mandate its arbitrators, through legislation, to abide by specific criteria; in particular, the employer's ability to pay, the economic situation in the province and by evaluating compensation for comparable occupations in the private and public sectors.

I'll now pass it back to Plamen.

Mr. Plamen Petkov: Thank you, Nicole.

Finally, the last area that we wanted to focus your attention on today is workers' compensation. Some time ago, CFIB did a comparison study of workers' compensation boards across the country. Unfortunately, Ontario's WSIB ranked last in that ranking. Specifically, customer service and long-term financial sustainability received the lowest ratings.

In terms of financial sustainability, this is not really surprising to us because of the massive unfunded liability that the board has of over \$14 billion. It is encouraging that the WSIB has taken notice of CFIB's research and this ranking in particular. They had a discussion with us, and they have initiated some reforms to improve their position. We are also seeing that some of these changes are starting to materialize under the leadership of the new WSIB chair, Elizabeth Witmer, who has a proven track record of supporting small businesses in the province. In fact, the new chair expressed interest in meeting with CFIB members directly. We have organized a series of round tables across the province where small business owners and independent contractors can sit down with the new chair and discuss their frustrations and their issues with the WSIB. And there are many. The top ones are premium increases, poor customer service, and mandatory coverage in construction or Bill 119.

When it comes to Bill 119, we think that the government needs to take action right away. Law-abiding business owners and independent contractors are being hurt by this legislation. It costs them thousands of dollars to comply, and it will force many firms out of business. Unfortunately, we fear that this legislation will not be

able to achieve its objectives to flush out the underground economy or to improve safety. As a matter of fact, we believe that it will do the exact opposite: It will actually push more firms underground. We would like to use this opportunity to re-emphasize our position and to restate our long-standing recommendation to government to repeal Bill 119 immediately.

On the last slide, you see a list of our recommendations in each of the four sections that we outlined to you today. On payroll taxes, we urge you to move on increasing the employer health tax exemption and introduce a PRPP in the province, in line with what's been done in other provinces.

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On red tape, we really hope that the government will continue to support small businesses, as they have done recently, and implement the five-point plan that was agreed upon, and also move quickly to reduce apprenticeship ratios to stimulate the skilled trades.

On government finances, obviously, eliminating the deficit by the target date of 2017-18 or sooner would be critical. What could help here is amending the existing arbitration system.

Finally, on workers' compensation, as I said, repeal Bill 119 and introduce legislation to eliminate the 72-month lock-in provision, which is a benefits-for-life provision, to alleviate some of the financial pressures on the WSIB, and reform the system by implementing a three-day waiting period for benefits, as currently implemented in other provinces across the country.

Thank you very much. We'll be happy to take any questions that you have.

The Chair (Mr. Kevin Daniel Flynn): That's great. You've left a lot of time for questions, about six minutes.

Who's going first? Steven?

Mr. Steven Del Duca: Thank you, Chair.

Thanks very much for that presentation. Right near the end, I thought I heard you mention the importance of wanting to balance the province's books—the deficit reduction, staying on target. I did notice on slide 9 in the survey of your membership that it seemed—maybe I'm reading it the wrong way, but it did seem that a larger portion of your membership, 44%, seemed to be okay with the concept of a longer horizon on deficit reduction. How do you square that circle between what I thought I heard you say near the end and what a large chunk of your membership seems to prefer?

Mr. Plamen Petkov: Obviously, our members are business owners. They have to do budgets. They have to work on their budgets every day. This survey was taken in 2009, and at that time the perception was that the medium term was five to six years. That's why we're saying that if you stick to the existing targets, that will actually meet expectations.

Mr. Steven Del Duca: Thank you for that clarification.

The Chair (Mr. Kevin Daniel Flynn): Soo?

Ms. Soo Wong: Thank you very much, Mr. Chair.

I just want some clarification on your written submission. On the second page of your handout, dealing with the recommendations with respect to workers' compensation, can you clarify for us—in terms of the costs and savings with regard to the implementation of a three-day wait period for benefits, you listed that there are currently two provinces with this type of benefit. How many frivolous claims—that your organization noted with regard to this kind of frivolous claim?

Mr. Plamen Petkov: Thank you for the question. This specific recommendation actually comes from the study that we conducted some time ago, as I mentioned earlier in my presentation, on comparing workers' compensation boards across the country. Really, the three-day waiting period is meant to serve as a deductible. Again, we're talking about an insurance program here. It is very common for insurance programs to have a deductible and to kind of weed out these frivolous claims.

What we have observed—and not just in Ontario, but across the country—is that workers' compensation boards struggle with frivolous claims. What New Brunswick and PEI have done is introduce this three-day waiting period for benefits. That gives them some time to actually investigate the claim and determine whether this is something that is justified or simply frivolous.

We are thinking that from the WSIB's perspective, in terms of alleviating the financial pressure that's on them, and given their massive unfunded liability—we believe that this recommendation would help them to weed out those frivolous claims that are putting additional financial impact on the board.

Ms. Soo Wong: My next question is, how long ago did New Brunswick and PEI introduce this type of wait period, and was there significant benefit in terms of reducing the frivolous claims?

Mr. Plamen Petkov: I don't have the exact date in terms of when they introduced it. I believe it was a few years ago. What we have noticed from our research is that both boards in those provinces actually like this measure in terms of helping them with assessment of claims and also reducing the pressure on their finances.

Ms. Soo Wong: Okay. I noticed that you made quite a series of recommendations to the government, and I want to know, which is your priority?

Mr. Plamen Petkov: If I have to go with a priority, I would refer back to slide 4, where we talk about the issues of top importance to small businesses. As you can see here, the top one is total tax burden. What we define by total tax burden, in terms of priority for this budget, is obviously payroll tax relief. I think a move on increasing the EHT exemption, as outlined in the throne speech, would certainly be a measure that would be welcomed by the small business community.

Ms. Soo Wong: That's great. Thank you very much for your presentation.

The Chair (Mr. Kevin Daniel Flynn): That's great. Thank you very much for being here. Great presentation.

Mr. Plamen Petkov: Thank you. I appreciate it.

ONTARIO PUBLIC SERVICE EMPLOYEES UNION

The Chair (Mr. Kevin Daniel Flynn): Our next delegation this morning is Smokey Thomas from the Ontario Public Service Employees Union. Smokey, if you'd like to come forward and make yourself comfortable, perhaps introduce your colleague to us. Fifteen minutes—use it any way you see fit. If there's any time left over, the questions will go—

Mr. Smokey Thomas: They'd throw me in jail if I used it any way I saw fit.

The Chair (Mr. Kevin Daniel Flynn): Any legal way you see fit. The questioning will come from the Conservative Party. It's all yours.

Mr. Smokey Thomas: I have Brother Rick with me. Rick is a health care expert in OPSEU and actually wrote the report. I'm going to speak fast because I know Peter wants to ask me some questions.

The Chair (Mr. Kevin Daniel Flynn): This will be worth the price of admission.

Mr. Smokey Thomas: I'm getting him to swing to the left sometime soon.

Good morning. My name is Smokey Thomas. I am president of OPSEU. Thank you for the invitation to speak here today.

We can't help but note that the banking sector, having sent their emissary Don Drummond to preach austerity in 2012, are now knocking on the door of your federal counterparts, suggesting that now is not the time for austerity after all. It's really simple: In times of slow economic growth, you stimulate the economy; you don't jeopardize it with public sector cuts.

In the United Kingdom, the Cameron government has been practising a particularly nasty form of austerity on the public sector and digging an enormous hole for itself. Since 2008, it has experienced three official recessions.

Austerity in the eurozone has not worked. It has instead created what is being described as a lost decade for citizens.

Here in Ontario, the McGuinty government inherited a \$5.5-billion deficit from the Tories at the end of 2003. While continuing to reinvest in Ontario's public sector, the McGuinty government brought Ontario's budget into balance for three straight years before the great recession of 2008. There should be a lesson in that: By creating jobs and rebuilding public services, the government was able to grow its way out of the deficit. It proved that investment in public service was not only sustainable, but was also beneficial to the overall economy.

So why the sudden change in direction? We all know that it wasn't public sector spending that created the worldwide economic crisis in 2008, although some vested interests are clearly trying to rewrite history in this regard.

Last year, OPSEU commissioned the Centre for Spatial Economics to produce a report on the role of Ontario's public sector in the economy and to examine the impact of the 2012 budget. The centre's forecast may

have been on the conservative side, given the impact of three levels of government all engaging in austerity measures. By 2015, budget-slashing would reduce the size of Ontario's economy by \$20 billion, resulting in an estimated loss in tax revenue between \$2 billion and \$2.5 billion per year, or almost as much as we have been able to reduce our annual deficit by.

According to the Canadian Centre for Policy Alternatives, the impact of the recession and subsequent slow recovery has reduced provincial GDP by about \$70 billion. Given a normal share of provincial revenues, that translates to \$12.4 billion in lost revenues.

Reducing public spending has a direct impact on the private sector: 36 cents of every dollar spent by the Ontario government goes directly to the purchase of goods and services from the private sector. This translates into jobs in construction, professional, scientific and technical services, as well as information and cultural industries—that would be the LCBO.

The Centre for Spatial Economics estimates that the fiscal drag from austerity would impact economic growth by as much as 0.7% in 2014 and 0.6% in 2015. Given projected economic growth rates below 2%, this is very significant.

This week's Ontario report by the CCPA suggests that combined austerity policies could cost the provincial economy as much as 3% of the GDP over the next few years, or about what we lost in the great recession of 2008. The CCPA notes that for every dollar of fiscal restraint, we're impacting the provincial GDP by \$1.50.

While economists would tell you GDP growth took us out of the recession in 2009, for most of us that recovery is mostly an illusion. Austerity budgets impact those who can least afford to pay. That includes seniors sent home early from hospital without any home support. It includes a tattered safety net where only one in five Ontarians qualifies for employment insurance and the rest are forced into a broken, inadequate system of social assistance. It includes workers thrown into precarious employment, afraid to complain about significant violations of employment standards, with too few proactive inspections by the Ministry of Labour. It includes women seeking economic equality, who will now be among the majority to lose their public sector jobs. It includes one in five young people who cannot find a job, many forced to leave the province to find meaningful work to pay off their massive student loans.

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Students looking to earn enough to continue their post-secondary studies can now count on about 1,000 fewer summer placements, thanks to the closure of Ontario Place and the cancellation of the Ministry of Natural Resources' Ontario Ranger Program.

New graduates emerging from Ontario's medical schools may also have difficulty finding work. Hospitals are gapping positions—and Rick tells me that means they're not filling the positions; I never heard of "gapping" before—to reduce severance costs, and the impact on experienced health care workers of a provin-

cial freeze on hospital base funding is resulting in significant job losses. I might note that not one manager anywhere has ever lost their job; in fact, they keep creating more management positions as they lay off front-line workers. I've raised that with the Liberals many times.

Young professionals will migrate to other provinces that are not restraining their health care system to the same extent as Ontario. This means that when experienced health professionals do retire, Ontario will have far more difficulty replacing them.

Queen's University professor Kathleen Lahey recently noted that governments at all levels have in recent years cut taxes equal to 4.5% of the GDP. She writes: "When an entire country's revenue system springs such a huge leak, it is not the 'women and children first' of nautical chivalry; it is 'cut women's and children's services first.'" I'll ask you to think about that. That's absolutely true.

That also applies to public sector employment. Women fill 60% of public sector jobs. In health care, as many as four out of every five workers are women. When these jobs are cut, the effect is not only much greater on women, but differentials in public sector compensation mean women also lose ground in lowering the gender wage gap.

We see the government cutting jobs even though we have never recovered the pre-recession employment rate. Before 2008, Ontario's employment rate was 63.5%. By the summer of 2009, it had plummeted to 61%. With federal and provincial stimulus, the recovery was slow but steady, reaching a high of 61.6% in 2011 before austerity-fuelled cuts took it down to 61.3% in 2012.

As Ontario sheds good-paying jobs in the public sector, most of the job growth since the recession has been in poorly paid precarious employment. According to a United Way study, barely half the workers in the greater Toronto area have full-time, permanent employment. I don't know how you could live here on that kind of wage. Toronto, long considered the economic engine of Ontario, has an unemployment rate that is now well above the provincial average.

It's not like Ontario is a poor province; it's just that most of the wealth is concentrated at the top. We are second only to Alberta in the rate of economic inequality between the rich and the rest of us. This is no accident. Nobel Prize-winning economist Joseph Stiglitz notes that inequality, to a very large extent, is the result of government policies. He writes: "There is hope because it means that this inequality is not inevitable, and that by changing policies we can achieve a more efficient and more egalitarian society."

According to the Conference Board of Canada, income inequality has been rising at a faster rate in Canada than in the US since the mid-1990s. Among the 32 OECD nations, Canada has fallen from 14th to 22nd most equal.

Research shows that high income inequality weakens economic growth and stability, undermines social

cohesion, and diminishes quality of life for all citizens. It is also a threat to democracy itself. When income inequality becomes extreme, as it is now, it raises basic moral questions about fairness and social justice.

The evidence is everywhere. This month it was reported that Canada has fallen out of the top 10 in the United Nations' human development index. We used to be number one.

The richest 1% in Ontario now receive, on average, 16 times more than the average of those who belong to the bottom 90%. Thirty years ago, the ratio was only 10 times more. We would argue that it is time for governments to do more than pay lip service to what is the defining issue of this decade. It's time that governments started generating real policies to reverse the growth of social and economic inequality with measurable goals.

We have written to the Premier, calling for a fairness test that would be a transparent and verifiable way for citizens to judge for themselves how budgets measure up on the issue of income inequality. The test would embed the principle of fairness into public policy choices and ensure that the poorest Ontarians are not hit the hardest by these choices. Such a test could be developed and applied by the Ministry of Finance and published in the budget as part of the fiscal planning framework.

We believe that it is also time to have an adult conversation about fair taxes. That includes reconnecting the idea of taxes to the services Ontarians receive. Government does a poor job of linking the two; it needs to do better.

We also need to look at both sides of the ledger when drafting a budget, not just the expenses. Corporations promised tax cuts would generate economic growth through reinvestment in jobs. Instead, they stockpiled the cash and stifled our economy. We know what to do with a broken deal: End it. Corporate tax cuts are already extremely competitive. We have room to restore the corporate tax rate to 14% and return \$2.1 billion to the public treasury.

It is no surprise that governments worldwide find themselves deeply in debt after two decades of competing with each other for lowest taxes, yet there has never been any evidence to suggest low taxes lead to prosperity. Let's remember that high-tax countries such as the European Nordic countries weathered the great recession better than their lower-tax counterparts.

In Ontario, we need to get rid of the negative spiral of austerity budgeting. We need to be smart about how we reinvest in public services. We need to apply a fairness test to tackle issues of income inequality. We need to have a real conversation about the value of taxes.

I look forward to your questions.

The Chair (Mr. Kevin Daniel Flynn): Thank you very much. You've left just over four minutes. We're going to Peter.

Mr. Peter Shurman: Thank you very much, and it's good to see you, Smokey. It's always ironic that in the rotations, which are done on a random basis, I get to talk to you—

Interjection.

Mr. Peter Shurman: —and I like talking to you. I know that there's mutual respect, despite the fact that our positions are quite radically different.

I would postulate that what you call austerity, I call efficiency, in the instance that you refer to in Ontario. If you take a look at the budget that's in play right now—that comes to an end, really, for the fiscal year in about a week and a half—that was billed as something of a restraint budget or an austerity budget, but the government spent somewhere in the vicinity of \$5 billion or \$6 billion more than even they estimated they would spend. If they had been on target in their spending, they still would have spent more than they did in the prior year. I don't call that an austerity budget.

I would say that what we really need to do to rein things in and do some of the things that you actually want to do is be more efficient about how we spend money. That's all that governments are really about. You and I would agree on that.

So you watched and you commented when I presented Bill 5 about three weeks ago in the Legislature, which calls for a two-year mandatory, legislated public sector wage freeze, and I said in my debate that that was not about putting the blocks to you and your colleagues in the public sector at all. It was about levelling a playing field that has put the rest of us in a disadvantaged position while you people have become somewhat elite. How would you react to that?

Mr. Smokey Thomas: Well, to quote Brother Tim Hudak—

Mr. Peter Shurman: I thank you for the reference to "Brother," on behalf of my brother Tim.

Mr. Smokey Thomas: —"Our blue paper is designed to provoke debate." Now, as I said to Tim, he had the "provoke" part right, and I'm sure I have the "provoke" part right here.

All right, I'll answer it this way: I've long called for labour, business, government and interested business parties—and that's all three parties—to sit around a table, led by the Premier, and have this adult discussion.

Believe it or not, there are things the Canadian Federation of Independent Business said that I agree with, and it's no secret that Catherine Swift and I don't like each other. I mean, in my opinion, she's so far out on the right that if she takes one more step there, she's going to fall off the planet, along with Tim. But you're right: There are things that we do agree on, and I think that's part of that adult conversation about taxes. If we could actually get in and sit in a room, we could actually have a fruitful discussion and maybe find some middle ground, some common ground.

We bargained 182 contracts last year in my union. The vast majority took zeroes voluntarily. In the ones that got a 1% raise, which isn't extravagant on a \$30,000-a-year salary, the employer actually put it on the table because they can't keep people. Do you know what I mean? The wages are just so low that people would just keep moving on to better jobs when they can find one, and that's a

good thing for people to do. So they're trying to remain competitive in that world and keep employees.

I agree with some of what you said, and I do agree that you and I, we do banter and joke and we've done stuff together before, and I think that's an adult way to do it, right? We can have our fun but have a serious debate and a serious conversation.

But I really would call on this Premier—Dalton never did it; Dwight never did it—to bring together the parties, to say, “Look, we're all Ontarians. I think we all have the same interests at heart. Let's sit down and at least have a conversation.”

Mr. Peter Shurman: Well, let me say, for you and for the record, that the day that this Premier gets serious about wanting to do that, my party will be there. But we don't believe that we hear more than talking the talk, and we don't see any sign of walking the talk. We think it's the same government as was there before.

But let me not get into putting partisan stuff on the record. Let me get back to a question, because we have limited time left.

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The Chair (Mr. Kevin Daniel Flynn): You've got very little time—

Interjection.

Mr. Peter Shurman: You all do it so, you know? Hold your horses, folks.

The Chair (Mr. Kevin Daniel Flynn): Okay, we're down to about 30 seconds. This is going to have to be quick.

Mr. Peter Shurman: All right. You want to go back to a corporate tax rate of 14%, and you really believe, Smokey, that this is going to make Ontario competitive with other jurisdictions that want to keep or attract business? I can't believe that even you believe that.

Mr. Smokey Thomas: Well, I heard that from some business people, but what they said more importantly than that is, if you get rid of some of what they call “corporate welfare”—all those old tax breaks that were in there before because the corporate tax rate was so high. Especially when they started talking about selling the LCBO, I had a lot of guys who wanted to buy me lunch.

But they said, “If you get rid of all that corporate welfare stuff that was designed to off-set high corporate tax rates, you can leave it where it is now. The government will get more revenue, and it will level the playing field for all corporations”—which, actually, I think is a smarter way to go, but again, you've got to provoke a debate somehow here and at least get people talking on those terms.

The Chair (Mr. Kevin Daniel Flynn): Well, I think you've done that, and your time is expired.

Mr. Peter Shurman: Thank you, Smokey.

The Chair (Mr. Kevin Daniel Flynn): You came to provoke a debate this morning; you did exactly that, so thank you very much for coming here.

Mr. Peter Shurman: Thank you.

Mr. Smokey Thomas: That was polite, I thought.

The Chair (Mr. Kevin Daniel Flynn): I thought so too—a civil debate.

MARCH OF DIMES CANADA

The Chair (Mr. Kevin Daniel Flynn): Our next delegation is from March of Dimes Canada. If Steven and Jerry are in the audience, if they'd come forward?

Make yourselves comfortable. You have 15 minutes like everybody else; use that any way you like. You might want to introduce yourself when you're speaking for the first time, so that Hansard knows who it is.

Mr. Steven Christianson: Thank you very much and good morning. My name is Steven Christianson; I'm the national manager of government relations and advocacy at March of Dimes Canada. To my right is our vice-president of programs, Jerry Lucas, and to his right, our director of employment services, Judy Quillin.

We think our presentation is rather timely, given one of the key elements of yesterday's federal budget and the general dialogue around implementing the recommendations of Ontario's social assistance review, which do have some substantive financial implications. I'll get into a very brief overview of March of Dimes first, and then I'll turn it over to my colleague Jerry.

Established in 1951, March of Dimes Canada is one of Canada's largest service providers and a tireless advocate for people with disabilities, serving as a resource for all Canadians requiring disability supports.

With a wide range of programs and services, many of our consumers utilize more than one of our services to help them gain greater independence. Solutions for independence include employment services, attendant services, financial support for assistive devices, home and vehicle modification funding, peer support for stroke and post-polio survivors and much more.

Last year, we delivered more than 2.25 million hours of service to over 50,000 Canadians with disabilities. March of Dimes has been providing employment services to people with disabilities for over 50 years, predating the introduction of the Vocational Rehabilitation Services Act in 1965.

Our constituents are largely low income. Last year, 77% had incomes below \$20,000 per year and 30% had incomes below \$10,000 per year. For this reason, and from this perspective, we wish to address social assistance reform and labour market access.

Mr. Jerry Lucas: My name is Jerry Lucas; I'm vice-president of programs. We hope to leave some time for questions, so I'll take the easy job and read the statement, and leave the questions for Judy.

I want to begin by saying that we support many of the conclusions and recommendations of the Commission for the Review of Social Assistance, including establishing a standard rate for all adults to cover basic needs and housing-related costs and a disability supplement recognizing the higher costs associated with living with a disability.

While the first would be tied to employment, we believe that the latter should be delinked to remove a key

disincentive to employment for people with disabilities. This income supplement could transition to a tax credit as the individual's income increases. These programs could be managed through a blended social assistance system as part of the Ministry of Community and Social Services. However, we support delinking the management of social assistance with programs to promote employment.

Government employees, whether municipal or provincial, who oversee income maintenance programs are predominantly income support workers. People on social assistance, whether on ODSP or Ontario Works, and who are motivated to work, should have the support of an employment specialist who is not making decisions on their training and employment from the perspective of social assistance administration. At the same time, we believe that government case managers of employment support programs should not be the deliverers of these vocational services.

Ontarians with disabilities have a much higher rate of unemployment than the general population, especially people with lifelong disabilities who have both barriers to employment and little work experience. Many people with disabilities or significant barriers to employment require more than specialized employment supports and general job-finding services. Specialized needs include consistent assessment and case management, integrated pre- and post-employment services and supports, and strong connections to employers.

People with disabilities deal with a complex mix of variables that can affect their ability to obtain and retain employment. Examples include the type and severity of their disability; their education and training; cognitive and mental health issues, confidence and motivation; work history; and accommodation requirements related to their disability. A generalized or generic employment service cannot adequately account for and respond to such specific requirements. This requires specialized knowledge from the service provider. The latter point cannot be overemphasized.

The current ODSP system is primarily geared to placement-ready individuals and is not structured to fund or facilitate the specialized services required by persons with disabilities. Assessment, motivation, training, work preparation and work hardening, and job supports are not possible to address under the existing program structure, precluding many who wish to work and would otherwise be capable of working from succeeding.

Equally important when considering how to make employment services more effective are the coordination and administration of the services offered. The current system is fragmented, a point highlighted in both the social assistance review and the Drummond report, which identified 21 different government ministries, branches and departments that oversee and support employment programs.

We believe that the best way to maximize employment opportunities for people with disabilities and to streamline administration is to merge the ODSP Employment Supports program with Employment Ontario under the

umbrella of a ministry which has training and employment as its outcome focus, such as MTCU. This was the direction that the government supported in its last budget, and we encourage the government to continue on this path.

We do not support the transfer of employment supports to municipalities. Access to employment supports should be guaranteed to all Ontarians. Downloading will create higher administrative costs, disparity among and between communities with respect to the range of services available, access to those services and potentially service quality. Many people do not live and work in the same community, as anybody travelling on the Don Valley Parkway knows. People work where there is opportunity. Tying services to municipalities narrows the access to pursue opportunities outside of the community where one lives.

Of course, municipalities have an important role and contribution in local planning, collaboration and service coordination. Local service providers such as March of Dimes can provide our expertise, knowledge of local labour markets and conditions, as well as training opportunities, whether the program administration remains provincial or is downloaded to the municipalities. In either case, we believe that service delivery should be separate from program administration. We are currently, as an example, a transfer payment agency to both provincial and municipal funders, so, regardless of which system you use, the supports are coming from a provider such as ourselves.

We thank you for the opportunity to speak today. We are always available to assist and work with the government of Ontario to identify the most productive approaches to improve the efficiency and effectiveness of Ontario's current system of employment services, and we welcome the opportunity, such as this, to contribute to the dialogue.

With that, we'll open it up for questions.

The Chair (Mr. Kevin Daniel Flynn): Thank you very much. Great presentation—just over six minutes.

Michael or Catherine?

Ms. Catherine Fife: Thank you very much for the presentation. Just a comment: I'm glad you came here to very strongly point out that downloading the transfer of employment supports to municipalities is not in the interests of those on ODSP or, actually, any Ontarian, and the reasons that you've given are fairly comprehensive. I don't believe municipalities want this additional responsibility either, so I just wanted to mention that. Thanks very much.

Do you have anything, Michael?

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Mr. Michael Prue: Do you have any comment—

Ms. Catherine Fife: Any comment on that, yes.

Ms. Judy Quillin: Judy Quillin, director of employment services. I would just comment that through the labour market agreements, Ontario has an excellent employment support system through Employment Ontario. They do an excellent job. If you or I or anyone were to

lose their job and require supports, that's where we would go. I think saying to persons with a disability, "You have to play in a different sandbox," is really stigmatization. We need to ensure that everyone can leverage the support of the same service, go to the same place and receive the same excellent service that they're providing right now to all Ontarians.

Ms. Catherine Fife: I also agree with the idea of creating a tax incentive to employers, because what I hear primarily from the community at large is that it's generally stigma that is preventing employment opportunities. It's a lost potential for us as a province when the potential of those with disabilities is not realized in the employment workforce.

I think there's a lot of room for improvement, especially your labour market access and participation issues.

Mr. Michael Prue: The questions I have relate to the poverty of people with disabilities. It is huge. No matter where I go, one of the hallmarks of being poor is to have a disability. It's sad, but it's true.

Your debate here is kind of gentle: a little tweak here, a little tweak there of government. Can you tell me why you're not in a rage about this? Because I kind of am.

Mr. Jerry Lucas: I think we agree that the level of support is too low, and we think that that should be addressed for people who are not employed and have to live below the poverty line. Because the primary focus here was to talk about employment, we didn't go into great depth on that, but we do believe that it has to be raised.

But the other point is that there's a real disincentive to getting out of poverty for people with disabilities if they're going to lose all the drug benefits and the other supports that they have—

Mr. Michael Prue: And have the money clawed back as well.

Mr. Jerry Lucas: Right. So what we're really saying is, recognize that somebody with a disability, at whatever income level, has a need for a level of support. Those extra costs can be a tax credit if you're at a high enough rate where you're paying taxes, but it would be an income supplement if you're at a low level. So it bridges you without it being a disincentive.

Mr. Michael Prue: The Lankin-Sheikh report is recommending that people be allowed to keep the first \$200 that they earn if they're on disability, without having it clawed back. I personally feel that's kind of low because if they were allowed to keep the first \$500 or \$600 along with disability payments, that would actually take them near the poverty level. Can you comment on whether the \$200 is sufficient?

Mr. Jerry Lucas: It's much too low. I think that what we're really commenting on is something that has been around for a long time.

Having been in the field for a long time, I remember that the Obstacles report that came out in 1981, addressing issues of disability, recommended separating out supports related to disability from employment-related

supports because, wherever you cap it, it's still going to be a disincentive. I don't think \$200 is enough to make it less of a disincentive.

Mr. Michael Prue: Is there more time, Mr. Chair?

The Chair (Mr. Kevin Daniel Flynn): Yes. You've got just about a minute and a half, Michael.

Mr. Michael Prue: Good. Okay. The Lankin-Sheikh report also makes a great many other recommendations. One that they've made is to recombine disabilities with general Ontario Works. Do you have any comment on that? I know that some people think that there should not be what is called "deserving poor" and "undeserving poor." But I'd also like to hear from disability experts whether you think that this is going to in any way hurt particularly those who are born and will live their whole lives with some kind of disability.

Mr. Jerry Lucas: I think you can combine administration as long as you acknowledge that there are additional costs and therefore create a second income supplement. If you don't do that—you can always say that, at a certain level, everybody who is unemployed has the same need for income support, but there has to be that acknowledgement that there are the extra costs. The only time you can merge it is if you create that second supplement.

Mr. Michael Prue: Thank you for the work you do. I was the mayor when you opened up on 10 Overlea. I remember opening the place, and I've been very proud of you ever since.

Mr. Jerry Lucas: Thank you.

The Chair (Mr. Kevin Daniel Flynn): Steven, Judy and Jerry, thank you for coming today. Great presentation.

Mr. Steven Christianson: Thank you very much.

WINERY AND GROWER ALLIANCE OF ONTARIO

The Chair (Mr. Kevin Daniel Flynn): Our next delegation perhaps brought some samples.

Mr. Patrick Gedge: If it had been the afternoon, we would have been primed and ready, let me tell you.

The Chair (Mr. Kevin Daniel Flynn): Make yourselves comfortable there, Patrick and Jim. You've got 15 minutes, like everybody else. If there's any time left at the end of the presentation, it will go to the Liberals. I'll let you know when you're getting near the end of the presentation if it looks like you're going to run over.

Mr. Patrick Gedge: Perfect.

The Chair (Mr. Kevin Daniel Flynn): It's all yours.

Mr. Patrick Gedge: Great. Thank you very much for this opportunity this morning. We surely appreciate it.

My name's Patrick Gedge, and I'm president and CEO of the Winery and Grower Alliance of Ontario. I'm joined by Jim Clark, who is president of Colio Estate Wines and vice-chair of Winery and Grower Alliance of Ontario.

Just as background to our organization: The WGAO is the leading industry trade association in Ontario, with its

members representing over 85% of the wine produced in the province. You may know us a bit more by our brand names such as Jackson-Triggs, Trius, Inniskillin, Peller Estates, Colio Estate Wines, Magnotta, Lakeview Cellars etc.

Our members include both wineries and grape growers in the province, as we believe the continued success of the industry is best guaranteed by both groups working seamlessly and co-operatively together. In fact, to demonstrate our interdependence, our wineries purchase over 85% of the wine grape crop produced each year by independent growers in Ontario.

This presentation is extremely timely as an independent study has just been unveiled that provides the economic impact of the industry in Canada and in the provinces of Ontario, British Columbia, Quebec and Nova Scotia—the major domestic wine-producing regions. The study was carried out by Frank, Rimerman and Co., who have conducted similar research studies for the United States industry and some 20 individual states in the US.

In summary, the wine and grape industry represents an economic benefit to Canada of \$6.8 billion a year, of which Ontario is almost half. Ontario highlights of the analysis indicate: The Ontario industry has an annual economic impact of \$3.3 billion—specifically, for every bottle of wine produced in Ontario there is \$40 of domestic economic impact; the wine and grape industry represents more than 14,000 jobs in the province; wine-related tourism welcomes more than 1.9 million visitors each year, generating more than \$644 million annually in tourism revenue and employment; and, each year, the wine industry generates \$602 million in federal and provincial tax revenue and liquor board markup.

In the past, we've been thought of as a small, somewhat quaint, local industry. Today the industry is significant and a growing economic contributor nationally, regionally and locally, as evidenced by the results of this study.

Our industry and its value chain are highly integrated, and therefore have a significant impact in multiple sectors: agriculture, food processing, manufacturing, services and—not least of all—tourism. Just thinking about it, we're the only agricultural business that has such a high level of integration from local agriculture in the province to retail, where we're competing, literally, with the rest of the world.

During the past number of years, we've seen many sectors in the economy suffer. Trust me; this is a tough sector. The margins are low and the competition is fierce. But we should recognize and celebrate the fact that the Ontario wine and grape industry continues to grow each year in terms of agricultural farm gate, manufacturing productivity, product innovation and sales growth.

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We're helping grow the wine category in Canada. In 1995, wine represented 18.8% of all alcoholic sales in Canada, and this grew to 30.2% in 2011, an increase of 11.4%. Our market share is increasing compared to beer

and spirits. The growth potential of Ontario wine products and their economic impact continues to be enormous.

Credit and recognition needs to be given to the LCBO for its continued support of Ontario's wine industry. We look forward to leveraging its increased network of stores, talented staff and new initiatives to sell more VQA and ICB wine and generate more revenue for the government.

We'd also recommend to all parties a very detailed analysis and fact-finding when it comes to proposals to increase the sale of alcoholic beverages through private channels. While on the surface many of these ideas may appear attractive, there are fundamental issues to be thoroughly addressed, including the impact on ongoing government revenue, consumer prices, social responsibility and the potential effect on the \$3.3-billion Ontario wine and grape industry and our ability to grow and compete in the future.

Jim?

Mr. Jim Clark: Thank you, Patrick. We'd like to make three specific points which would lead to increased revenue for the province as a result of growth in the wine and grape industry in Ontario.

First of all, you've noted the economic importance of tourism to our industry and the sale of wine at wineries themselves. We refer to it as farm gate. Visitors to Ontario wineries reached 1.9 million people in 2011 and generated \$644 million of tourism and tourism employment-related economic impact. The highest margins for wineries is through direct sales at their wineries, and this is particularly the lifeblood for small and medium-sized wineries.

The government of Ontario, through the Ministry of Economic Development, Trade and Employment, funds a VQA marketing program, including the publication of a 700,000-copy Travel Guide to Wine Country Ontario, along with a map and website. We look forward to all VQA wineries in the province benefiting from this program and being included so that the consumer comes first. This will give consumers and visitors information on all wineries and generate increased sales along with additional revenues for government.

Secondly, there is a VQA support program operated by the MEDTE. This program has been very successful in stimulating more growth in VQA sales through the LCBO and increasing the ability of wineries to financially partner with the LCBO in marketing initiatives. The challenge of this program is that wineries in the province have been increasing at a rapid rate, which is good for jobs and tax revenue, but the impact of the VQA support program is being reduced each year as a result.

We also face competition, as Patrick mentioned, from imports. If you go into the LCBO, you're looking at a Wines of California program. I call it "fishing off our dock," and a lot of times they're eating our lunch.

We know that asking for more funding for any program at this time is difficult, but investments that produce measurable economic growth and tax revenue

should be welcomed. The VQA support program has very specific metrics that demonstrate that funds are being invested in the growth of VQA wines and generating more sales by the LCBO and, thus, income to the government of Ontario.

According to research, there are two major factors for additional sales of VQA through the LCBO. The first one indicates that 60% to 70% of the growth of VQA each year is related to new products that wineries have introduced to the marketplace. The second factor that generates new sales is the amount of marketing investment that wineries make into LCBO marketing programming.

We would recommend that the VQA support program be increased from \$6 million to \$9 million as a pilot project over the next couple of years. During that time, the government can measure the direct impact of the additional investment on VQA sales and the commensurate economic impact on the economy, jobs and increased LCBO and tax revenue.

According to the calculations of the Frank, Rimerman report, which conducted the economic study, the \$3 million of incremental investment would produce \$3 million of provincial taxes and LCBO markups with the additional sale of 342,000 bottles of VQA wine. That would represent a 3.5% increase in VQA sales through LCBO Vintages and generate about a \$29-million economic impact for the province. We are more than confident that the ROI by the government would be exceeded on this incremental funding.

Thirdly—I think it was mentioned earlier—we need to reduce regulation and red tape for the wine and grape industry. There are a number of unnecessary regulations and administrative practices that have simply accumulated over time. Rationalize all of them and make it more cost-effective for the government to provide oversight, while reducing the time spent by wineries on unnecessary administration, licensing, audit—it goes on and on.

At the same time, changes can be made that allow wineries more flexibility to provide excellent and timely customer service. Some of these changes include allowing wineries to remain open to visitors and tourists on Good Friday and Easter Sunday, for example, when multitudes of people visit wine regions. In addition, provide increased flexibility to on-site and off-site wineries to serve their customers. Another opportunity is to permit Ontario wines to be sold through some 200 local farmers' markets. Local food and local wine make for a compelling combination, and this has proven successful in wine-producing states in the US as well as a number of Canadian provinces.

These changes will increase productivity of the government and industry as well as increase customer service and sales opportunities. Not only will these changes not cost the government money; they may actually provide savings.

The Attorney General and the Alcohol and Gaming Commission have been working closely with WGAO and other industry associates on making these changes, and the time to act is now.

Thank you very much for your time, and we look forward to your comments.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Jim. Just before you go on, I know what VQA is. It's the first time I've heard of ICB wine. What does that mean?

Mr. Jim Clark: That's the International Canadian Blends, so that's where we develop wines that are competitive in the market.

The Chair (Mr. Kevin Daniel Flynn): Very good. Okay, the first questions come from the Liberals. Steven?

Mr. Steven Del Duca: Thanks, Mr. Chair, and thanks very much to the presenters.

You mentioned on page 5 of your document the idea of reducing regulation, red tape, unnecessary regulations, administrative practices that you reference here. Can you give us some examples of those kinds of regulations or burdens that you're troubled by?

Mr. Patrick Gedge: Sure. I think what has happened, by the way, is that over time, you keep adding new regulations without necessarily going back and removing the ones from before, so it's done more on a cumulative basis as opposed to trying to rationalize all of them.

I'll give you a simple example. If you go to a winery down in Niagara or Essex North Shore, what you're going to discover is that for a winery, they're going to have to have about four winery licences for that one individual place. We've gone to the AGCO and said, "Why don't you just have one winery licence that includes all of these different functions, rather than we go through four processes?"

Similarly for auditing, there's a very strict auditing approach, but it's not really done on a risk management basis. For example, if your winery, over the years, has been audited and it has always been clean, then perhaps for that winery you should do it every two or three years. If there's a winery that has had problems, heck, I don't care; do it every month. But they have sort of one approach that fits all. The wineries I talk to, it almost feels like they have permanent auditors sitting in their offices.

Those are just two examples.

Mr. Jim Clark: We're audited, I think, three times a year as a company.

Getting back to the licence, we have a manufacturer's licence, a tied house, and a tourism licence. Essentially, you could come into my retail store and have a glass of wine, but you could not walk out into the vineyard that's right on the same property, right beside our facility.

Mr. Steven Del Duca: Okay, thank you.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Steven. Soo?

Ms. Soo Wong: Do I have time, Mr. Chair?

The Chair (Mr. Kevin Daniel Flynn): Yes, you've got about two minutes.

Ms. Soo Wong: Okay. Can you also elaborate, on page 5, about the red tape dealing with the selling of Ontario wine in the local farmers' markets?

Mr. Patrick Gedge: Yes.

Ms. Soo Wong: You mention in your submission that there are several Canadian provinces doing that. Which provinces are we talking about?

Mr. Patrick Gedge: Sure. Let me just say that in the United States, for example, every wine-producing region sells their local wine at local markets, whether it's California, Oregon, Washington state, New York state, Texas. In Canada, Nova Scotia is a great example of it, and New Brunswick. Do you want to just comment on Nova Scotia?

Mr. Jim Clark: Well, Nova Scotia: I just happened to be there at last New Year's. I showed up at a farmer's market on a Sunday morning, and walking around, there was a table—it was probably 9:30 in the morning. There were four or five wineries and a couple of craft breweries pouring their wares, and sampling as well. I thought it was very reasonable, very responsible.

To me, I think the big impact here is, again, the real small wineries that could literally benefit from something like this—the old “go local” food and wine association. It's done responsibly; it was very civilized, I found.

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Ms. Soo Wong: Thank you very much for your presentation.

The Chair (Mr. Kevin Daniel Flynn): Thank you for coming this morning, gentlemen. Next time we'll schedule you for the afternoon.

Mr. Patrick Gedge: We'd be delighted.

Interjection.

Mr. Patrick Gedge: Absolutely.

The Chair (Mr. Kevin Daniel Flynn): Thank you.

ONTARIO HEALTH COALITION

The Chair (Mr. Kevin Daniel Flynn): The Ontario Health Coalition—if you'd like to come forward, Natalie? You've been sitting there, and I know you know what the rules are, so make yourself comfortable. You have 15 minutes; use that any way you see fit. The questioning this time will go to the PCs.

Ms. Natalie Mehra: Great. Thank you very much.

The Chair (Mr. Kevin Daniel Flynn): This proves that God's got a sense of humour: You've got Smokey, and now the health coalition. We're just teasing Peter on the way the random order is coming out this time.

Just let me set the clock, Natalie, and then you're all set to go.

Ms. Natalie Mehra: Great.

The Chair (Mr. Kevin Daniel Flynn): Okay. It's all yours.

Ms. Natalie Mehra: Thank you. I enjoyed the previous presentation; I wondered if anyone else was wondering how much they personally had contributed to the increase in the market share of the wineries in Ontario.

Interjections.

The Chair (Mr. Kevin Daniel Flynn): Some of us more than others.

Ms. Natalie Mehra: I'm going to skim very quickly through the first part of our presentation, which I believe

you have, just to lay the context for our recommendations. We're making our recommendations in the context of very severe curtailments in health care funding: according to the Provincial Auditor, more than \$3 billion in cost curtailments in health care—that's more than a billion in hospitals and more than \$2 billion in OHIP; home care increases to be a third of what they've been for the last eight years; long-term-care increases to be half of what they've been for the last eight years. Actual health funding is actually considerably less than the auditor reviewed in those projections that were in 2011; they were the pre-election projections—in fact, the projections have decreased twice since then, and the actual cost curtailments are more like \$4 billion.

Too often, health care cost cuts or curtailments are couched in terms of economic necessity. We thought it was important to underline the fact that, far from being poised to eat the entire provincial budget, health care funding has actually been shrinking—not growing; shrinking—as a percentage of program spending in Ontario or as a per cent of the provincial budget, and that has been the case for the last decade or so. The trajectory is in fact down, not upward, as some of the more hysterical statements have held us to believe. In fact, Ontario now ranks eighth of 10 provinces in health care funding.

Although in real-dollar terms it's true that health care funding has gone up year by year, the context in which we're working is that even though health care funding has gone up in real-dollar terms, we are now still only eighth of 10 provinces. We're near the bottom of the country, and we're considerably lower than the other provinces in terms of health care funding.

If you look at hospital funding in particular in Ontario, we are actually dead last in the country; we're tenth of 10 provinces. As a result of that, Ontario now has the fewest hospital beds of any province in Canada on a per capita basis, and that's considerably fewer than the other provinces; on an aggregate per capita basis, that's 14,000 hospital beds fewer than other provinces. If you look around the globe, in fact, Ontario ranks near the bottom of all industrialized countries. We're fourth from the bottom of the OECD in the number of hospital beds that we have left in Ontario, followed only by Turkey, Chile and Mexico.

The notion that we have wild spending on hospitals, that hospitals need to be dismantled and massively cut, is just patently untrue. In fact, as a result of the austerity budget passed last year, very significant hospital cuts are under way across Ontario. To give you a sense of the scope of those cuts, in the largest cities in Ontario, deficits ranging between \$10 million and \$40 million are being reported. In smaller communities, draconian hospital bed closures that really do threaten the future sustainability of those local hospitals have been announced in recent weeks. The range is from 10%—that's one in 10 hospital beds cut; it's actually 12% in Perth and Smiths Falls, for example—to almost 50% of the hospital beds proposed to be closed in places like Prince Edward county. These are very significant.

For the first time, we're seeing formal plans—by a government that has run two elections promising not to privatize health care—to privatize thousands of surgeries and other clinical hospital procedures in places like the Ottawa hospitals. In fact, diagnostics, surgeries and therapies are being cut, off-loaded and privatized at unprecedented levels.

There has been no legislation, no public consultation, no democratic process regarding the “evisceration”—and I choose that word carefully. It is the evisceration of rural hospitals and the privatization of clinical services across Ontario.

We've included in the report the list of the cuts across the province. I don't intend to go through all of these, and they're pretty small type. The point of that is just to show you that there are lots of them, that they are everywhere, that this is not an anomaly, that this is actually the trend.

So just some of the highlights: Bluewater Health in Sarnia, \$5 million in cuts planned; Chatham-Kent Health Alliance, \$4 million in cuts planned and 7% of the hospital beds being closed; \$4.2 million in Windsor; London Health Sciences, a \$40-million deficit; Hamilton Health Sciences, \$25 million in cuts planned; St. Joseph's Healthcare in Hamilton, \$7.5 million in cuts planned; physiotherapy and outpatient services being closed all across Ontario; Scarborough Hospital, \$17 million in cuts planned; cataract surgeries are being cut and transferred out of local communities in various parts of the province; Perth and Smiths Falls District Hospital, \$4 million; Quinte, \$15 million; Brockville, \$2.2 million; and the list goes on and on.

We also wanted to highlight in our submission today that we are extremely concerned at the health minister's announcement that she intends to bring in means testing for home care and extend means testing for seniors' drugs to more or even all seniors. Some 18,500 hospital beds have been cut in Ontario since 1990. That's significant. Under every health minister since then, we've been told that those services are being moved out into the community. To now introduce means testing for community services is to bring in two-tier health care for needed medical services. The consequence of that for patients is that those who pay the means test will get services first; those who don't pay the means test will not. In the context of staffing shortages, it means that those who pay means tests will end up using the majority of services and everyone else will fall behind. It means that the burden of payment for health care will fall to the sick and the elderly.

We have a means-tested funding system in Ontario. It's called the tax system. It shares the burden of cost equitably across society. It means that the burden of cost for being sick is not borne by the sick and the elderly. We believe that tax cuts for corporations and the wealthy should not be borne on the shoulders of the sick and the dying. In fact, we believe that cutting health care services should be the last option, not the first.

This brings us to our two key recommendations. There are alternatives to the wholesale dismantling of our

public hospital services and the privatization of them. We've brought you some of the most recent evidence from the United Kingdom. This is the birthplace of the P3 privatization schemes for infrastructure. In the UK, recent studies have shown that more than £200 billion has been spent on the P3 infrastructure scheme over the last 20 years. It provides a kind of petri dish, a test, of what that program looks like now, 20 years later.

Research into 154 of those projects shows “astronomical profits,” in the words of the researchers, averaging more than 50%. In fact, the P3 consortia involved in the hospital P3 projects enjoyed the biggest profits at an average of 66.7%.

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You don't need to take our word for this; you can simply Google PFI—which is the name of the P3 program in Britain, coined “perfidious financial idiocy” by the British Medical Journal—plus profits. You'll find a boatload of articles referring to the crisis of the privatized P3 infrastructure program in the UK. We provided a series of these: From the BBC, “‘Excessive’ PFI Profits”; from the Guardian, “Investors ‘Using Tax Havens to Cash in on PFI Contracts’”; from the Telegraph, “PFI Firms Should Be Forced To Share Excessive Profits With Councils and Health Trusts”; from the Telegraph, “PFI Costing £13,000 Per” British household; from the Daily Mail, “£2 Billion in Secret Profits on PFI Gravy Train”—spinning money, they say.

Ontario copied the British P3 schemes when it brought in this program itself. We are deeply concerned that there is inadequate public oversight of the P3 projects which now total billions of dollars in Ontario.

Infrastructure Ontario is dominated by vested interests. There have been no public audits on more than \$4-billion worth of P3 hospital projects that are now complete. All relevant documents that would allow us to conduct independent scrutiny of these deals are secret. We have not been able to get them. Infrastructure's own documents show much higher costs for the construction and financing of P3s compared to the public sector comparators. The entire financial case for P3s—the entire case—rests on the dubious notion of risk transfer, a notion that is controversial all around the world. These are our concerns in the clearest, most blunt terms we can give them.

The board of Infrastructure Ontario is entirely populated by people who come out of corporations or entities tied to vested interests in P3s. They're all from private capital market firms, banks, architects, private insurance companies, private law firms actively involved in real estate commercial development, construction firms and P3 consulting firms. I want to be clear: We're not accusing any individual of corruption, but the problem is that the entire board comes from industries that benefit from the continuance of the P3 program and from excessive profits in P3s. This is not, in our view, sound governance, and it doesn't—I don't think—meet a public test of having the optics of sound governance.

Only short summaries, about 15 pages long, of value-for-money reports have ever been revealed to the public.

Full value-for-money audits, if they've been done, have never been released publicly. In fact, there's not one iota of financial information that would enable proper public scrutiny of the deals that has been released. The only audit that has been done actually found that the Brampton P3 project cost \$200 million more than the public sector comparator, and that the comparison was done wrong.

The same for-profit consortia are involved in Ontario's hospitals as have been involved in Britain. The money is not small: \$4 billion, as I've listed here, in completed large P3 hospital projects to date.

The second proposal is to close the employer health tax loopholes. The employer health tax is the only payroll tax in Canada that grants an exemption to all employers on the first \$400,000 of their payroll; income from self-employment and partnership income is excluded. We believe that these exemptions are poorly targeted, benefiting larger companies, and that they're inequitable. If they were closed, those loopholes would generate \$2.3 billion per year.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Natalie.

The questions are coming from the Conservatives this time. It's going to be a brief one, about a minute.

Mrs. Jane McKenna: Oh, a minute. Thank you so much.

My uncle Dr. Stuart Thomson did the first open heart surgery with Dr. Love many, many years ago, so we hear a lot about medicine, and my oldest daughter is a nurse.

I'm sitting here listening to you and I'm thinking to myself, what does the future hold for us? Where do we go from here? In the last nine years, we've put \$50 billion into health care, and what do we have to show for it? I concern myself with the band-aid effects, and I just wonder, where do we go from here? What is your suggestion?

Let me interrupt for a minute. The nurses were just here before you. I'm not sure if you heard what she said, but they did say they wanted to get rid of CCACs by 2015. What are your thoughts on the LHINs and the CCACs?

Ms. Natalie Mehra: Well, there's a couple of things. One is, we've put a lot of money—Ontario has—into health care over the last few years, and actually, we've bought for that vastly improved access to all kinds of surgeries. They vastly increased the number of MRIs and CTs and physicians and access to primary care. So there have been, actually, significant improvements. We believe that the size of the LHINs and their mandates—

Mrs. Jane McKenna: You can finish that.

The Chair (Mr. Kevin Daniel Flynn): Yes, just finish that thought.

Ms. Natalie Mehra: —is actually fatal. It means continual closure of small and rural health care services and continual loss of services in local communities. We'd like to see the end of the duplication, the four tiers of administration in home care. We have a different idea than the Registered Nurses' Association. We'd like to see a

public, not-for-profit home care system like all the other provinces have.

Mrs. Jane McKenna: Thank you.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Natalie. Thank you for coming today.

Ms. Natalie Mehra: Thanks.

OUR TVO/NOTRE TFO

The Chair (Mr. Kevin Daniel Flynn): Our next delegation is from Our TVO/Notre TFO. If people would come forward.

Perhaps there was a little confusion as to whether you were here from TVO or whether you are a group that likes TVO.

Mr. Joe Motiki: We're a group that likes TVO.

The Chair (Mr. Kevin Daniel Flynn): Okay. Well, maybe you can explain your group a little bit. You get 15 minutes like everybody else. Use that any way you see fit. The questions will come from the NDP. I'll let you know if you're starting to run out of time. I'll give you a little notice.

Mr. Joe Motiki: Okay, that's great. Thank you so much.

The Chair (Mr. Kevin Daniel Flynn): And maybe you can introduce yourself for Hansard.

Mr. Joe Motiki: Sure. My name is Joseph Motiki and I'm here representing the campaign. I just want to say good morning to everyone, and I just really wanted to thank you for the opportunity to appear before the committee and provide the perspective of the Our TVO/Notre TFO campaign on the 2013 Ontario budget.

The Our TVO/Notre TFO campaign is a coalition. It's a group of families, educators, artists and employees of the province's educational broadcasters who have decided to come together to seek a greater voice in shaping the future of TVO and TFO.

My name is Joseph Motiki and I am the spokesperson for the campaign. I joined the campaign for pretty simple reasons. Because of my long history with TVO, I know first-hand the capabilities and the far-reaching effects the station has on the citizens of the province, and I really believe passionately in what TVO and TFO mean to Ontario.

Personally, I have participated in a half-dozen different productions at TVO over the last 18 years. One of them was a show called Get Out of Town, where I got to find out how different young people lived in different parts of the world and compared their experiences to how people here live. I was also able to host the high school quiz show Reach for the Top as well as three Ontario spelling bee specials, where students of different ages got to answer questions about curriculum and spell words while representing their schools and communities, while at the same time trying not to faint, which was always funny in the back because it can be a little bit tough for kids at that age.

I also spent four years with my co-host Patty hosting TVOKids Crawlspace, which was the top-rated block of

after-school programs here in Ontario. I had a chance to host a show called *What*, which was nominated for a Gemini award, and co-hosted the International Children's Day of Broadcasting, which was recognized with an international Emmy.

I'm not bringing up Emmy wins and Gemini nods and top-rated shows to brag, although they're accomplishments that I think everyone involved with these shows should be proud of, from the Minister of Education right down to the last intern that worked on those programs. But I mentioned them because it's evidence of the kind of quality programming that TVO and TFO can produce when given the resources, and they're examples of what these stations have been doing for decades. These were shows that made a real difference in the lives of Ontario children, youth and their families.

On a personal note, I graduated from East York Collegiate in the east end of town, and in grade 13 I received a scholarship from Hager Hull Miller. I was given a plaque, and on it there's an inscription that reads the following: "A teacher affects eternity. He never knows where his influence stops." That's a quote that always stuck with me and that I used over and over again when I worked at TVO. We could educate, we could entertain and we never know where our influence will stop, because that's the power of the medium. That's the power of TV and of educational television in particular.

Just because I got a little bit of applause over on this side, I'll just say on a personal note, a couple of decades ago I had a chance to talk to Mayor Prue at the East York Civic Centre, which is just kitty-corner from Toronto East General Hospital. I was a student at the time. I got to talk for about three minutes. Some of the things that he shared with me in terms of leadership and being somebody that people can look up to is also something that stuck to me. I wasn't going to say that, but I got that, so I just wanted to give it right back to you.

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Mr. Michael Prue: I'm blushing.

Mr. Joe Motiki: Don't. That's all right.

Interjections.

Mr. Joe Motiki: Over the years, I've been approached countless times by Ontario citizens who watch TVO and they tell me about the impact that it had on them.

There was a young man named Mark who grew up in Kingston, Ontario, who watched an episode of the *Bod Squad*. I have to explain to you, the *Bod Squad* was a series of shorts that we produced on the show. We wore crazy silver suits, had a big Afro and sideburns and we talked about proper eating, proper habits, good diet. One particular episode was called *Fiber Down the Highway*. This particular episode was about the importance of getting fibre in your system and how it helped you with your digestive system.

This young man—he just lived with his dad. He was a little tough guy. Years later, he told me that over the course of his years in high school, then in university, he always remembered *Fiber Down the Highway*, and any time he wasn't eating properly or he was eating a lot of

junk food, his dad would say, "Hey, son, hey, hey, *Fiber Down the Highway*. Let's remember that." He did remember that, and he remembered it through school. Right now, he's working on an oil rig in Alberta and he hopes to get into police services. He's always said that anytime he gets off of his workout regimen, he remembers he's got to be healthy, he always quotes *Fiber Down the Highway*.

There's a student named Jake who actually got to participate in one of our *Bod Squad* episodes. We shot the episode at John Fisher, which is in northern Toronto, and he had a chance to talk to a few of us because he was really excited about the cameras and about telling the story, and storytelling was something that always stayed with him. He got in touch with me about a year ago on a group that I have on Facebook and he just graduated from the school of journalism at Columbia University in New York, which I was really excited to hear about, and he was excited to ask me for a clip that he appeared in. He said he could share it with his classmates.

A young girl named Tallulah who lived in Hamilton, Ontario—she loves science. She grew up watching the *Magic School Bus* and Bill Nye, the Science Guy, which were shows that we aired. Recently, when I told her I would be the spokesperson for this group, she was very excited about it. She put the link on her Facebook group and she included this—she posted this on her page—"Why I love TVO: (1) *Magic School Bus* taught me science for grades 1 to 9 and made me laugh at the same time; (2) Arthur kept me company since I didn't have a sibling to torment or be tormented by; (3) no commercials to fill your brain with nonsense; (4) the *Bod Squad*, fighting obesity before it was a social crisis; (5) Pingu—need I say more?" Pingu was a Claymation penguin that went "prt, prt, prt, prt, prt."

The Chair (Mr. Kevin Daniel Flynn): I can't wait to see what Hansard does with that.

Mr. Joe Motiki: I was going to say—kids loved him.

She's currently studying genomics at Oxford, a discipline in genetics that applies DNA sequencing methods and bioinformatics to sequence, assemble and analyze the function and structure of genomes. I had to read that because she's smarter than I am, but she has said to me that she was excited about the fact that we never made it nerdy to like science, that it wasn't a geeky thing to enjoy math and to crunch numbers—and she's at Oxford.

I'm not saying we're responsible for it, but I will say that, personally, I always feel like I helped to raise each one of these guys, and that's exciting for me. There's a tough guy. There's a storyteller. There's a scientist. That's as diverse as anything you can possibly get, and that kind of diversity excites me. Again, we don't know where our influence will stop. The things that people say to us, the things that we say to them, to me, that's education.

Of course, it's not just TVO that made a difference. TFO was and is an important voice for the francophone community in Ontario. The Independent Learning Centre is a catalyst for learning. It has issued over 10,000 educa-

tional certificates and diplomas to students across Ontario.

One thing I should really stress is that TVO is not just about kids. It provides continuing learning and cultural education opportunities to all residents of the province through current affairs, art and other quality programming—programming you'd be hard-pressed to find anywhere else.

I have concerns, and the campaign has real concerns, over the future of public educational broadcasting in Ontario if the government moves away from stable public funding. In the last budget, we note that the government said TVO would have to become less reliant on public funding. We've already seen the realization of these concerns with the recent cutbacks and losses of shows, such as *Big Ideas*, *Allan Gregg in Conversation* and the iconic *Saturday Night at the Movies*, the cancellation of which really caught my attention and moved me to be part of this campaign.

There are also much fewer forays into the province outside of Toronto. I've always felt that one of the great strengths of TVO, to me, was its involvement with communities all over the province—big or small, rich or poor, urban or rural.

One of my most exciting moments working at TVOntario was going up to Cochrane, Ontario. We did a train tour, so we had a chance to go to North Bay, Huntsville, New Liskeard, and we stopped in Cochrane. There was one moment when we stopped in New Liskeard—it wasn't a scheduled stop; this is back with the old Northlander train from VIA. They were only supposed to stop for two minutes. They instructed us that they were not going to stop for anything longer than that, because they weren't interested in our TV nonsense. The conductor had to call in, and he said that over the horizon, they could see a bunch of kids and families coming to see the train and coming to meet us, and what should they do? He begrudgingly said, "Well, give them 10 minutes. Just give them 10 minutes." They gave us 10 minutes. We were able to run out and meet with all the kids.

That kind of outreach—I can't stress how great that is and the kind of effect that it has on these communities. Those kids would always say to us, "Why are you here? Why did you come here? Why did you come to Cochrane? Why did you come to Thunder Bay? Why would you come to these small places?" Look, it's Ontario. We go everywhere. It's TVOntario. That's what it is. That's what we enjoyed about it: getting a chance to come and visit all of those communities. It was always very exciting for us.

I and members of the campaign appreciate the challenges the government and all of us are facing right now in Ontario: a struggling economy, rapidly changing technology, general uncertainty. But this is exactly why we need staples such as TVO and TFO. These are institutions that we can trust that bring us together and unite us and serve as a resource for information and discovery.

I'd like to say that TVO has become a part of the tapestry of the province and its citizens. People don't run

to a train to just see anybody. You run to see your friends. You run to see people who you trust and people who you know.

Our campaign is calling on the government of Ontario, TVO and TFO to work together to achieve the following goals: stable government funding, an enhanced commitment to made-in-Ontario programming and a greater voice for TVO and TFO stakeholders in determining the direction of the organization.

TVO and TFO are a good investment for public dollars, and when they're producing the kind of programming they're capable of, the investment's a great one. No other broadcaster devotes more of its resources to creating learning experiences for children, for families, teachers and adults through its full TV programming schedule and with its online offerings.

And TVO and TFO do it with the best Ontario-produced and global programs you can find, many Ontario production companies employing local talent, production people and technicians who have gotten their first break on the broadcaster, with innovative content which has been later produced and purchased by public and private broadcasters around the world, stimulating a creative industry that employs thousands of Ontarians every day and spreads our knowledge and culture throughout the world. I'm an example of that. I was a student at Ryerson when I had my first audition there, and I haven't looked back.

TVO and TFO support our public education system by promoting school readiness and keeping students engaged in learning. It also grows parent involvement in learning and encourages active citizenship and public engagement in Ontario affairs.

In 2010-11, figures show that TVO was reaching 10.8 million Ontarians, 1.2 million of which were children. This is an investment that needs to be nurtured, the same way the artists who produce television nurture their audience, the same way I nurture mine. We also need to start a broader conversation, including all those who care about TVO and TFO and public educational broadcasting, about how we move forward and continue to deliver quality, made-in-Ontario programming.

Back when I was hosting TVOKids, we used to open the show at 3:30 p.m. every day by yelling the station's slogan: "This is TVO, television that matters." Now is not the time to turn our backs on TVO and TFO. It's time to support them, because they still matter.

Thank you very much for your attention. I appreciate it, you guys, with my asides, and I'd love to answer any questions that you might have.

Mr. Peter Shurman: Bravo.

Mrs. Jane McKenna: That was a great presentation.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Joe.

Mr. Michael Prue: Have you changed your mind?

Mrs. Jane McKenna: Oh, it's just passion. I love a man with passion or a woman with passion.

Interjection.

Mrs. Jane McKenna: It's up to you. Start talking. Knock yourself out.

The Chair (Mr. Kevin Daniel Flynn): Okay, quiet. We've got just over two minutes. Catherine?

Ms. Catherine Fife: Thank you very much. Thanks, Joe, for the presentation. It was entertaining and much needed at this stage in the morning.

I do think you're smart to start this campaign. I mean, we see at the national level that CBC has been attacked at the federal level, with the Harper government threatening cuts. We continually have to make the case for continued investment in public broadcasting.

I do think that TVO matters, and I know that there are parents around the province who depend on it, because the mainstream media is of subpar quality, and some would even say dangerous when you look at the violence in the media and what have you.

1100

I'd like for you to comment on the fact that public broadcasting as a whole does not seem to be valued by governments any longer, and it's a true reflection of who we are. So, can you please comment on it?

Mr. Joe Motiki: I think so. One of the things I was surprised about when Saturday Night at the Movies was cancelled—and I'll say, personally, I didn't watch Saturday Night at the Movies. I saw a couple of episodes. I know people that really enjoyed the show. To me, it was always a TVO angle on entertainment. You're looking at how artists create art and what they do to—the behind-the-scenes stuff. Two episodes, I saw. In one they talked to Martin Scorsese and in the other one, Elwy talked to Roman Polanski. It was fascinating to listen to their process and to how they go about making what they make.

If you look at any other stations, I think there's a deluge of entertainment shows where the most you hear about is what Mila Kunis wore to the Oscars the night before—nonsense; stuff that really doesn't matter. It's vacuous.

Ms. Catherine Fife: Do you think government has something against quality, then? Because you're continually making the case for continued investment. Why do you think that you have to do that?

Mr. Joe Motiki: I think that we have to do that because I worry sometimes about the relevance of TV Ontario, and if people still believe that it's worth the investment. Maybe I'm just sensitive to that because I worked there and maybe because I would one day like to be able to do a show there again, but I don't want it to be forgotten. I just find that there has been, with the cancellations of the shows—the fact that there are only two in-house productions now. When I was there, there were Imprint and Inquiring Minds. There were a bunch of shows that weren't just being produced and that were a slice of Ontario life, but that you could also sell and that were known worldwide.

I met a kid from Africa who sat and told me about a show they saw on TVO. I was surprised by it. I was like, "What?" And he was like, "No, TVO is very good. It's excellent; excellent, man. Excellent programming." And I was like, "Wow, I didn't know you were able to see a TVO show in Africa," but he did.

I would just hate to ever see that stop, and that's really the main reason why I think it's important now more than ever to make sure that we continue to have stable funding, and for TVO to do their share and produce more in-house productions that reflect Ontarians.

Ms. Catherine Fife: That's good. Thank you very much.

Mr. Michael Prue: Thank you, and thank you for the memories.

Mr. Joe Motiki: Not at all; thank you.

The Chair (Mr. Kevin Daniel Flynn): Thank you for coming, Joe. You did a great job. I'm sure my 32-year-old son will want you to say hi to Polkaroo for him.

Mr. Joe Motiki: That is fine. I've got a group on Facebook called Joe's TVOKids Project. He can give me a shout there. Tell him I say hello.

The Chair (Mr. Kevin Daniel Flynn): Okay. Thank you, Joe.

Mr. Joe Motiki: Thanks very much. Thanks, guys.

ONTARIO HOSPITAL ASSOCIATION

The Chair (Mr. Kevin Daniel Flynn): Our next delegation this morning is the Ontario Hospital Association, Marcia and Pat, if you'd like to come forward. Make yourselves comfortable. Once you're comfortable, you get 15 minutes like everybody else. Use that any way you see fit. If there's any time left over at the end, the questioning will go to the Liberal Party this time. If you're getting close to the end, I'll give you a little warning.

Ms. Marcia Visser: Perfect. Thank you very much. I am Marcia Visser and I'm the chair of the Ontario Hospital Association as well as a trustee at Sunnybrook Health Sciences Centre. Thank you for the opportunity to present on behalf of Ontario's 149 publicly funded hospitals.

Ontario hospitals are among the best in the world because their leaders and staff are compassionate, innovative and always put patients first. Our hospitals are also the most efficient in Canada. We have the lowest acute-care hospitalization rate. We are tied with Saskatchewan for the lowest average length of stay in hospital, and this year we will care for more than 13.5 million Ontarians while receiving the lowest per capita funding in the country.

Together, these factors create an efficiency dividend of \$4.1 billion. We are proud of this achievement because it frees up precious health care dollars for other services, such as community care.

Hospital leaders are relentless in finding new ways to enhance the patient care experience while maximizing the value of every health care dollar they are entrusted with. They also see the opportunity for where significant policy, legislative and regulatory changes are needed in order to realize the additional quality and efficiency gains we all desire for the Ontario health care system.

I'll let our president and CEO, Pat Campbell, expand on these opportunities. Pat?

Ms. Pat Campbell: Thank you, Marcia. Ontario hospitals spend approximately \$21 billion per year and employ approximately 200,000 people. Executing change initiatives that maintain service and staff stability as well as public confidence requires strong planning based on sufficient information. Today, as hospitals work to implement a never-used-before funding reform model within the context of flat or minimal operating funding increases, they are not getting the vital funding planning information they need, when they need it. This is not optimal for hospitals or the government because it means that some decisions will get made without a strategic view or full knowledge of system-level risks and, more importantly, opportunities. For these reasons, we ask that the government provide hospitals with operating funding planning targets for the next three fiscal years, as well as details about plans to manage the transitional effects of the current funding reform initiative.

The OHA continues to support a fair and responsible approach to hospital employee compensation. Employee compensation is the single biggest expense at every hospital in Ontario, consuming approximately 70% of the average hospital's budget. We believe that a fairly constructed, medium-term wage freeze for all broader public sector employees is a necessary element of our collective cost-control efforts during this period of fiscal restraint. However, we understand that a wage freeze cannot, and should not, be sustained indefinitely. That's why we recommend that the government implement a wage freeze for all broader public sector employees, and act to mitigate the risk of rapid compensation catch-up when the freeze ends.

On February 20, the Minister of Finance reportedly stated that Ontario's "fiscal plan contains no room for incremental increases in compensation ... That's a wage freeze." Experience shows that arbitrators often do not view statements like this as government policy, and rarely attach sufficient weight to them when judging an organization's ability to fund staff wage rate increases.

Ontario's hospital sector expects to receive 0% increases in annual funding for the foreseeable future. Without effective action on arbitration reform and a legislated wage freeze, many hospitals will likely have little choice but to reduce staff or services to manage any new wage pressures. It's important that legislators clearly understand this point.

The OHA has long called for significant reforms to the Hospital Labour Disputes Arbitration Act, or HLDAA, to ensure that arbitrated awards better reflect hospitals' ability to pay. Although certain arbitrators have of late taken care to ensure that their decisions more closely reflect the prevailing economic environment and employers' ability to pay, we remain concerned that an improving economy or new compensation decisions will drive arbitrators toward decisions less respectful of Ontario's fiscal climate.

The Association of Municipalities of Ontario and other broader public sector employers share our concerns. That's why we recommend that significant reforms

to HLDAA be made as soon as possible. The reforms we intend for HLDAA would:

- require written exchanges of disputed items in advance of proceedings to ensure sufficient time for the parties to prepare;
- feature an obligation for the board of arbitration to require a demonstrated need for issues raised;
- require the board of arbitration to more fully consider an employer's true ability to pay, particularly in light of challenging fiscal times; and
- require arbitrators to provide written reasons for their decisions in all cases.

Our full recommendations will be included in a written submission which we will be sharing with the committee later today.

The government did propose certain amendments to HLDAA in Bill 55 and again in its draft, proposed Protecting Public Services Act. As we have noted publicly, those proposals did not go far enough and, in the absence of additional legislative amendments, could actually have made the arbitration environment even more challenging than it is today. Put bluntly: As currently written, the government's proposed amendments to HLDAA were not sufficient or helpful in terms of promoting a fair, balanced and responsible arbitration system. It is vital that unreasonable barriers to a better health care system be eliminated.

Here is an example of one—created by an arbitrator—that works against the rational deployment of staff by hospitals: Under the current collective agreement between hospitals and the Ontario Nurses' Association, the reassignment of a registered nurse is not permitted if it is for longer than a single shift. If the position of an RN in department A, who regularly works 9 a.m. to 5 p.m. Monday to Friday, were eliminated, the hospital could not simply transfer the nurse to fill a corresponding vacancy in department B for a 12 p.m. to 8 p.m. Monday-to-Friday position that they are qualified for because the shift is not substantially similar to the previous position. Instead, an unnecessary, costly, lengthy and destabilizing layoff process would begin.

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That is one example of why changes to HLDAA are so important. We need your help in addressing these sorts of irrational barriers to the efficient and cost-effective deployment of valued hospital employees. Again, additional details will be included in our written submission.

We hope that you will carefully consider and act on the recommendations we have presented to you today in order to improve the quality, the efficiency, the value of Ontario's health care system. Thank you. I'm happy to answer questions you may have.

The Chair (Mr. Kevin Daniel Flynn): That's great. Thank you very much. You've left a lot of time for questions, about six minutes. Who's going to start? Soo.

Ms. Soo Wong: Thank you very much for your presentation. Let me begin by going through last year's Bill 55, dealing with capping CEO salaries in hospitals. In the House, in question period, our NDP colleagues are

consistently asking the minister and the Premier about the cap. Can you share with us, have CEOs across the Ontario hospital sector complied with Bill 55?

Ms. Pat Campbell: Hospitals require effective management. We know that leadership matters in this province, and we're seeing the benefits of that in terms of the high efficiency and rapidly growing service delivery that's happening even in this constrained fiscal environment. If Ontario is to successfully tackle the complex and difficult challenges facing our health care system in the future, we won't get anywhere if we build up and cultivate barriers to effective leadership capacity for the hospital sector. A salary cap wouldn't save much money, particularly over the long term, and would negatively affect the hospitals' ability to recruit skilled leaders, particularly for Ontario hospitals, which are Canada's largest, most complex hospitals.

The Excellent Care for All Act, which received unanimous support from all three parties, required hospitals to implement pay-for-performance systems. Any performance pay that is happening this year is tied to those structures, specifically the achievement of government priorities, efficiencies or meeting targets set out in a hospital's quality improvement plan.

But in a simple answer to the question, yes, we comply with the legislation always in hospitals.

Ms. Soo Wong: Okay, because there's a perception, or our NDP colleagues believe, that there isn't compliance to this particular bill.

Moving forward with regard to your suggestion dealing with the arbitration piece, I hear you saying that the proposal last year dealing with arbitration is not fair, balanced and responsible. With respect to this piece, am I hearing from your submission that this is a priority for OHA, reforming the arbitration process?

Ms. Pat Campbell: Yes. Legislated labour reform is a priority for the OHA. In terms of Bill 55, I'll just reiterate that we felt it didn't go far enough, that the needs that we have are around having arbitrators really consider truly the ability to pay in light of the strategic financial and policy directions set by government for hospitals, and that we need to see the written reasons for decisions from arbitrators and why that's a reasonable way to go—and the exceptions to timelines in issuing awards for hospitals to allow for some flexibility in light of the dual local and central nature of the hospital sector collective bargaining environment.

Ms. Soo Wong: Mr. Chair, how much time do I still have?

The Chair (Mr. Kevin Daniel Flynn): You've got about three minutes.

Ms. Soo Wong: Okay. So the next question here is, just before your presentation, the previous speaker, from the Ontario Health Coalition, also talked about hospital beds and what have you. In your presentation and your written submission, you talk about Ontario having the lowest acute care hospitalization rate. There's this perception out there—obviously, you represent the hospital association, and beds are associated with your business—

that the quality of patient health is associated with the hospital beds, okay? I know many hospitals out in the community are supporting—especially in a rural area.

So can you expand on this piece for us? Because we have done a major transformation in how we fund hospitals today. Can you share with the committee with respect to the whole issue of reaching out to the community? Because the community wants the funding out in the community sector, and I want to hear from you with regard to hospitalization and beds and how that relates to quality of health of a community.

Ms. Pat Campbell: Yes, we're long past the days when you could judge the amount of health care in a community by the number of beds that are being provided. One of the things we are actually asking for is capacity planning to happen across the system, and we would certainly think that that would be a responsible thing to do.

That being said, we are in the midst—not only in Ontario or Canada, but across the world—of a health system transformation. In fact, it's a very exciting, very positive move in that patients are getting the care that they receive, but they no longer need to come in to a hospital to get that care.

Because of improvements in surgical techniques, we have more surgeries than ever being done in the province because most of them can be done on a day-surgery basis. So in the province, we have three times as many surgeries done on a day-surgery basis than we do on an in-patient basis. That volume continues to grow, despite the restraints in the hospital sector. That's an exciting example of where productivity and capacity for care continue to increase, despite the constraint in hospitals.

Hospitals are constrained. They operate at high levels of capacity, high levels of occupancy, and so they are continually working with their communities to look at, how can we change this pattern of care delivery to do more of it in the community and less of it in an in-hospital bed? That pressure continues to happen in conversations, day after day after day.

Ms. Soo Wong: My last question to you, Mr. Chair—

The Chair (Mr. Kevin Daniel Flynn): I don't—well, you'll probably have time for the question, maybe not the answer.

Ms. Soo Wong: One quick piece is, is your organization doing more collaboration with the community sector? Because we consistently hear of a lot of silos working—so I just want to—

The Chair (Mr. Kevin Daniel Flynn): I'll take that as a yes. Thank you very much for being here today.

Ms. Catherine Fife: A question for the Chair: When is the Hansard from this particular delegation available to the public? Do you know? What's the turnover, is what I'm asking.

The Clerk of the Committee (Mr. Katch Koch): I'll find out.

Ms. Catherine Fife: Thank you very much.

The Chair (Mr. Kevin Daniel Flynn): Thank you very much for coming today. Your report was appreciated.

CANADIAN FEDERATION
OF STUDENTS—ONTARIO

The Chair (Mr. Kevin Daniel Flynn): Our next delegation this morning is from the Canadian Federation of Students. Kaley, if you'd come forward. Maybe you could introduce yourself for Hansard.

Mr. Toby Whitfield: Yes. My name is Toby Whitfield. I'm with the Canadian Federation of Students.

The Chair (Mr. Kevin Daniel Flynn): Yes, I had a feeling you weren't a Kaley. You've got 15 minutes, like everybody else. Use that any way you see fit. If there's any time left over for questions, Toby, it will come from the Conservative Party this time.

Mr. Toby Whitfield: Great. Thank you.

The Chair (Mr. Kevin Daniel Flynn): The time's all yours.

Mr. Toby Whitfield: Good morning, and thank you for taking the opportunity for me to present today. The Canadian Federation of Students is Canada's largest and oldest student organization, and we represent more than 300,000 college, undergraduate and graduate students here in Ontario.

As a membership-driven organization, our recommendations today are based on policies adopted by our members throughout the year. I understand that this committee has also heard from some of our member locals from across the province.

Education has always been recognized as a great equalizer in society. No matter your circumstance, an education is supposed to be the one thing that can level the playing field and provide new opportunities. Unfortunately, in Ontario, government underfunding over the past 20 years has meant that post-secondary education and, more specifically, the cost of post-secondary education has become yet one more burden for low- and middle-income families.

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In Ontario, students have seen tuition fee increases of up to 71% over the last seven years. As a result, students here pay the highest tuition fees in the country, at an average of \$7,200. That's 270% more than students in Newfoundland and Labrador pay for post-secondary education.

At the same time, students are graduating with an average of \$37,000 in student debt and collectively owe the provincial and federal government more than \$9 billion. Here in Ontario, students owe the provincial government about \$2.5 billion, and that doesn't include what students owe banks and private lenders.

High tuition fees are a barrier for many qualified young people who will never attend college or university because they can simply not afford it. And we know that tuition fees disproportionately impact low- and middle-income families who will never be able to afford the high fees up front. Instead, they rely on taking on large amounts of debt. After paying off \$37,000 over 10 years, low- and middle-income students end up paying about \$10,000 more for their education than a student or a family who can afford to pay fees up front.

Even with the highest tuition fees in the country, Ontario still has some of the largest class sizes and the worst student-to-faculty ratios. And on every one of our member campuses, students rely on food banks on a regular basis.

The reality is that over the last 20 years, as tuition fees have increased, year-over-year government funding has been on the decline. In 1979, government funding as a share of universities' operating revenue was around 85%. Thirty years later, operating revenue has dropped to about 58%. As government funding has dropped, tuition fees have been relied on to fill the gap, increasing from 12% in the late 1970s to about 35% over the same time period.

Last year, the government rolled out a new tuition fee grant which provided students with some funds to off-set increasing tuition fees. But in the last budget, eight different scholarships and funding allocated to the work-study program were cut, which significantly off-set the impact of this new grant. In fact, when taking into consideration tuition fee increases this year, for every \$1 allocated to the tuition fee grant, \$1.20 was clawed back through cuts. In addition, a number of students, including mature students, part-time students and graduate students, are ineligible for this grant.

We believe that there is a more efficient way to make education more accessible in Ontario. Instead of relying on this tuition fee grant, including the cost to administer and to market the grant, we are calling on government to implement an across-the-board tuition fee reduction.

We're calling on the government to take real action to address increasing tuition fees by reducing tuition fees by 30% over the next three years. In year one, we would recommend allocating funding from the Ontario tuition fee grant and from provincial tax credits to immediately reduce tuition fees by 17%. Our plan would see tuition fees reduced for all students, whether they are college or professional students, domestic students or international students, mature students or students who are attending post-secondary education right out of high school.

In addition to an across-the-board tuition fee reduction, we are also calling for the reduction of tuition fees for graduate students in their post-residency phase. Post-residency fees exist at many institutions across the country, and we recognize that students conducting independent research use fewer university resources than those taking a full-time course load. Students in this phase of their studies pay post-residency fees that are up to 83% less than full-time fees. In contrast, the majority of institutions here in Ontario charge all graduate students full fees. The introduction of a 50% reduction in tuition fees for graduate students completing post-residency studies would bring graduate studies in line with many other parts of the country.

This week, students from across the province were in Toronto to meet with many members of provincial Parliament. Time and again, we heard that an across-the-board reduction would benefit higher-income families more than perhaps a targeted tuition fee grant like the

current Ontario tuition fee grant. The reality is that a flat tax like tuition fees already disproportionately impacts low- and middle-income families.

The Canadian Centre for Policy Alternatives released a report last year looking at the high impact of tuition fees in Ontario. A middle-income family with a child who graduated in 1990 would dedicate about 87 days of after-tax income to cover the cost of a four-year degree at a post-secondary education institution here in Ontario. In contrast, today that same middle-income family can expect to dedicate about 14 and a half months of income for a four-year degree. So it would be 14 and a half months after tax, as if they weren't paying mortgage, other housing and living costs, all of those sorts of things. This is just to pay off tuition fees.

The situation is even worse for lower-income families. A low-income family would expect to dedicate about 270 days of income in 1990, but today we can expect that a low-income family would dedicate more than 670 days of income. That's more than two years of income foregoing any other type of expense. By contrast, families from higher-income brackets would expect to dedicate just two and a half months of income to cover today's high tuition fees.

The best model to fund post-secondary education is to completely eliminate tuition fees and, instead, recognize the important role post-secondary education plays in society as a whole and shift to a completely publicly funded university system. The introduction of a 2% surtax on higher incomes over \$250,000, for example, would generate about \$1.3 billion a year—more than enough to take serious action to reduce tuition fees.

Now, today, we are calling for an immediate 30% reduction over three years, a reduction that would be completely cost-neutral in year one and a reduction that we believe would go on to make education a little bit more affordable in this province.

In addition to this recommendation, we also made several other recommendations throughout our submission, and on behalf of our more than 300,000 members, I thank you for the time and look forward to any of your questions.

The Chair (Mr. Kevin Daniel Flynn): That's great, Toby. Thank you very much. You've left just around six minutes for questions. Toby—Monte.

Mr. Monte McNaughton: I know. Toby and I look a lot alike.

Thank you very much for your presentation today. I know, as you mentioned in your remarks, you've been around to a lot of our offices, so we appreciate that.

I only have a few quick questions. Could you tell us why the government's 30% off tuition isn't working or why you don't think it's the right policy?

Mr. Toby Whitfield: Yes, absolutely. Thank you very much for the question. You know, when the government first introduced the 30% reduction, it was talked about as if it was 30% off tuition fees. The reality is, it's a grant that some students here in the province get, but that the majority of students don't get. So only about two in nine students in the province actually receive this funding, and

it's less than the actual 30% average of \$7,200. So the grant is closer to about 24% of tuition fees.

The reality, though, in the last budget is that the government actually made a series of cuts to help fund this program. So when it was first introduced, the idea was to reduce tuition fees for those most in need, and what we actually saw is that low- and middle-income families that relied on a variety of other scholarships saw those scholarships and bursaries eliminated to fund this grant.

For example, the Textbook and Technology Grant was eliminated. The Queen Elizabeth II Aiming for the Top scholarship was eliminated. The Ontario Work Study program was eliminated. Other scholarships for study in French were eliminated. The Sir John A. Macdonald scholarship was eliminated. These were scholarships that were eliminated to be able to fund this new Ontario Tuition Grant. So the reality is that those students who needed the money the most saw other scholarships and bursaries clawed back.

Mr. Monte McNaughton: Would it be fair to say that the policy was more about politics than good policy?

Mr. Toby Whitfield: Well, I mean, as students, we believe the best way to make education affordable is an across-the-board tuition fee reduction. We did see a significant amount of resources marketing this as 30% off tuition across the board, and that really isn't the case. When the dust settled, the majority of students in this province weren't eligible for this grant.

Mr. Monte McNaughton: One of our colleagues, Rob Leone from Cambridge, introduced a white paper—I know your organization met with him—and I believe the figure in that white paper said that 65% of university grads aren't getting a job in their field. I think it was 65%. Can you maybe explain why that would be, in your opinion?

Mr. Toby Whitfield: I think that when students are going into post-secondary education—there's a lot of pressure these days to get into a post-secondary institution. Seventy per cent of new jobs require some form of post-secondary, and we see students are really focused on getting into the system but maybe aren't taking the time to learn lots of different subjects in university or college. They're very focused, because of high tuition fees, on getting in the door and getting out four years later.

I think what we need to see is a shift, one that recognizes that post-secondary education, whether at the university or at the college level, plays an important role in society, and I think both college and university education is important to fulfilling lots of different jobs.

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Mr. Monte McNaughton: Yes. In this white paper—as I'm sure you've read it yourself—we're pushing for a college-first approach, and, hopefully, pushing for students to be able to graduate in a job in a field of their choice.

Those are all the questions I have.

Mr. Peter Shurman: Well, if we have a little bit more time—

The Chair (Mr. Kevin Daniel Flynn): Yes, we've got a couple of minutes.

Mr. Peter Shurman: —I'd like to just bounce off my colleague's question on our white paper issued by our critic on training, colleges and universities. To that point, he said in the white paper, and our party subscribes to the idea, that, right now, because of a pressure that really goes back to my generation for young people coming out of families to go and get a profession first, and the changing market as described by Dr. Miner—something I'm sure you've read—People Without Jobs, Jobs Without People, the necessities have changed so that sometimes you come out with the degree that you want from university, and as my colleagues pointed out, you can't get placed.

I've had people in my own constituency say, "Gee, I just helped my kid with \$100,000 worth of tuition and he's got a PhD, but he's working as a cashier." The same young person then goes to a college like Seneca to get an applied capability, and so now we're into seven or eight, sometimes 10 years of university and college education to get to a point where if you'd gone for three years and maybe if that college had a degree-granting capability, you might have had something that was more effective. I'd like you to react to that.

Mr. Toby Whitfield: Here in Ontario, many colleges currently have degree-granting capability for some programs. One of the things that students have been calling for for a long time is a real credit transfer system in the province.

Mr. Peter Shurman: And we agree.

Mr. Toby Whitfield: There has been some movement on that in the last couple of years, and something that students have applauded.

The reality is that if a student goes into a college in year one or two, maybe studies, let's say, business and then chooses to go on to another program at a university, they might have to take several courses over again. That means that the individual student and their family are paying twice for a very similar course, but it also means that the government that's funding part of the college program and part of the university program is also paying twice. So one of the suggestions that we've been making for a long time is the implementation of a province-wide credit transfer system. If we look at British Columbia, they have one, and from our colleagues there we hear it's working well.

It is something that we've seen some movement on, and we think that it could be implemented quicker and would provide some efficiency to the system. It would allow students to get into the college and then, you know, maybe study at home, closer to where they live, and then be able to move on to a university if that's what they have chosen.

Mr. Peter Shurman: And we agree with you on the issue of credit transfer. There are some holdouts in our system in Ontario, and we think that government intervention, of whatever stripe the government happens to be, is a good idea to implement credit transfer.

Having said that, it is also true, and you underscored this, that if you do have a student who is seven, eight or

10 years in before getting what turns out to be an applied trade or an applied ability from a college like Humber or Seneca, whatever, we have, as a government—forget about the families that are carrying this or the student that's taking on the burden—spent a small fortune over and above what was ultimately needed. Do you think that the government can be involved? Maybe I can get a 20-second answer for this. Do you think the government can play a more active role in supporting students by restructuring the secondary and post-secondary systems to afford a better opportunity like that?

The Chair (Mr. Kevin Daniel Flynn): It will have to be a short answer.

Mr. Toby Whitfield: I think the best role that the government can play today is to take action to reduce tuition fees. I think that's the best approach today, and that's what our students and our members across the province are calling for.

Mr. Peter Shurman: Thank you.

The Chair (Mr. Kevin Daniel Flynn): Thank you very much for coming, Toby.

Mr. Michael Prue: You'd make a good politician.

Mr. Toby Whitfield: Thank you.

The Chair (Mr. Kevin Daniel Flynn): That was meant to be a compliment.

MOLLY MAID INTERNATIONAL

The Chair (Mr. Kevin Daniel Flynn): Our next delegation of the morning is Molly Maid International. Kevin, if you'd like to come forward, maybe we can get them—are they the submissions?

Mr. Kevin Hipkins: Pardon me?

The Chair (Mr. Kevin Daniel Flynn): Are they your submissions?

Mr. Kevin Hipkins: Yes, they are.

The Chair (Mr. Kevin Daniel Flynn): Okay. The Clerk will pick them up and distribute them.

You've got 15 minutes, Kevin. You use that any way you see fit.

Mr. Kevin Hipkins: Okay.

The Chair (Mr. Kevin Daniel Flynn): This round of questioning, if you are going to leave any time for questions, will go to the NDP.

Mr. Kevin Hipkins: Okay, thank you. My name is Kevin Hipkins, and I am the president of Molly Maid, a small business that started in Mississauga in 1979 and today cleans homes across Canada and internationally, in the United States, the United Kingdom, Japan and Portugal.

Thank you, firstly, for the opportunity to speak with you today and to share a very rare policy recommendation, one that is good from an economic, social and political perspective. It's a policy that was shared with ex-Ontario Finance Minister Dwight Duncan and Ministry of Finance officials in October 2012. A copy of the briefing document you will now have.

It was recommended by PWC to the federal government ahead of the 2010 federal budget, and further

review of it recommended by Minister Duncan. It's a policy that is also expansively explained on the website hstopportunity.ca.

In my time with you this morning, I will outline the policy as well as the economic contributions our industry makes in Ontario and some of the quantifiable economic and social benefits of the policy itself and provide more information on targeted and progressive tax policies being followed in other countries which have identified the underground domestic cleaning industry as a source of growth in jobs, income and standard of living for citizens.

What you're going to hear is that other countries that have implemented this policy have successfully shifted work done in the underground economy above ground, and it can do the same thing here in Ontario.

In 2009, a division of Environics undertook research across Canada to determine how much Canadians paid for housecleaning services and whether they paid a business or an independent cleaning person—in effect, the underground economy. The research revealed that 13% of Ontario households pay to have their home cleaned, with 75% of these paying an independent cleaning person. Total industry transactions were over \$1.5 billion, but 79% of this total, \$1.2 billion, was done in the underground economy. We estimate the government is losing out on tax revenues of just under \$500 million in HST and income- and payroll-related taxes, and that there are 60,000 cleaners working in the cash-in-hand underground economy, many of whom are probably double-dipping by also collecting social welfare benefits at the same time.

The policy has two important parts that work together to shift this \$1.2-billion industry above ground. The first part is to make the transaction taxable by making our industry zero-threshold: Every dollar transacted would be taxed. It would eliminate the small traders' exemption in our industry, just like the taxicab and limousine industry in Canada. I recognize that it's probably very rare that someone appears before your committee advocating a tax increase, but I do so because it is the first step in shifting the \$1.2-billion underground economy above ground.

Once the HST is avoided, transactions in our industry are driven to the underground economy. More importantly to government, once it is underground, personal income tax and contributions to programs like WSIB and EHT are evaded. Making the transaction taxable also provides the necessary additional funding to implement the second part of the policy: providing consumers with a tax credit equivalent to a percentage of what is purchased, up to a specified maximum.

Making the transaction taxable doesn't alone mean it will be shifted above ground. You need to give consumers an incentive to use legitimate service providers instead of underground service providers. Without this incentive, very little—perhaps none—of the \$1.2 billion of underground transactions will be shifted above ground.

The policy pays for itself. Every dollar that is shifted above ground means that the government is generating

tax revenues on the transaction itself, and when the person performing the work reports their income, income- and payroll-related taxes are also generated.

Beyond the social benefits for those using and those supplying the service, other countries that have implemented similar versions of this policy are seeing that it successfully shifts purchases from the underground to legitimate businesses, and therefore changes consumer purchase behaviour. This leads to an increase in the total market because it allows more women to enter the workforce to generate taxable income. In turn, this leads to growth in legitimate employment in the industry.

Slide 5 of the briefing document in front of you details what we believe would happen on a revenue and employment basis for our industry. Slide 6 details the impact on government revenues on a net basis.

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As I mentioned earlier, independent research in 2009 revealed that the underground economy in our industry is \$1.2 billion, compared to \$320 million on the legitimate tax-compliant side of the industry. We believe that this policy would eventually shift 75% of this underground volume to legitimate providers. That is 75% of \$1.2 billion, or \$900 million plus the HST.

While 13% of Ontario households are currently purchasing cleaning services, in France, the country with the most experience in this type of policy, this figure is closer to 20%. Assuming this increased usage, legitimate industry volume would increase from \$320 million currently to approximately \$2.1 billion; this is a \$1.8-billion increase in the tax base. From an employment perspective, the number of employees in the legitimate industry would increase from 7,600 to 49,000. That's an increase of more than 41,000 jobs. That's 41,000 individuals paying provincial income tax. With upwards of 3,000 new businesses created, these new employees would also be making WSIB contributions indirectly through their employer wage rolls.

One thing that number doesn't describe is the types of individuals who fill these jobs. Employees in our industry are typically female, low-skilled, with at best high school education and prone to chronic unemployment and drawing on the social system. Jobs in this sector move these marginalized workers from dependency to self-sufficiency.

As you would well imagine, creating a tax base with a potential of almost \$2.1 billion has a meaningful impact on government revenues. Currently, government—that is, federal and provincial—is collecting \$116 million in revenues from HST net of ITCs and income- and payroll-related taxes. Under this policy, revenues could increase to \$215 million and, with increased usage, to \$331 million. That's a 200% increase. These amounts are on a net basis, HST net of ITCs and a tax credit of 20%.

We believe there is little economic risk in this policy and to achieving these revenues. Approximately 26% of underground volume would need to be shifted above ground to pay for a tax credit equivalent to 20%, roughly one third of what we believe would actually be shifted. It

also protects \$116 million in government revenues from our industry that is a risk of eventually being extinguished when the HST is raised and shifts even more of our industry volume underground. Legitimate industry volume declined 70% within five years of GST introduction, and each successive increase in HST drives more transactions to the underground economy.

We believe that these government figures are conservative because, among other things, they don't include the benefits of reducing spurious welfare claims amongst some of the 60,000 workers currently in the underground economy, many of whom are already collecting social benefits. In addition to positive outcomes like improved family welfare and increasing the female labour force participation rate, 41,000 of these individuals would now have an employment contract covered by provincial employment standards.

The main benefactors of this policy are working families and seniors. These are the typical consumers of domestic cleaning.

Seniors are particularly important, considering their projected increase in numbers. Seniors want to remain living independently in their own home as long as they can and to age with dignity and grace. In addition to investments covered as part of the Healthy Homes Renovation Tax Credit, helping them to meet their housecleaning needs allows them to do so.

The federal government already recognizes the benefits of this through the Veterans Affairs Canada VIP program, which pays for 100% of the cost of housecleaning and other home services for selected veterans. In a 2011 program review, VAC calculated that the annual cost savings of providing services to veterans in-home versus managed-care facilities could be as much as \$320 million annually.

France and the Nordic countries of Sweden and Finland have the most experience in policies similar to this one. Since 1991, France has provided homeowners with a tax rebate for the purchase of domestic services. It started at 25% up to a limit of \$3,250, but is now 50% to a limit of \$25,000. Between the policy's introduction in 1991 and 1997, employment in the domestic services sector in France grew by 120,000 or 33%, at a time when total employment in the general economy remained virtually unchanged.

In Sweden, citizens are provided a tax credit of 50% of the labour cost for domestic services, as well as other services, up to a maximum of \$7,500 per adult member of the family. In Sweden, there is no VAT threshold and no small trader exemptions, so everyone must pay VAT on the service.

The impact on employment in Sweden has been equally significant. The cleaning industry is recognized as one of the fastest-growing sectors in the economy, with the number of people employed increasing 24% since it was introduced in 2007. It is also supported by all of the major political parties.

In Finland, the tax break is 60% up to \$4,000 per person or \$8,000 per couple.

But even closer to home, the province of Quebec has two policies to create jobs and economic growth from our industry. The first, the tax credit for home support services for seniors, for those aged 70 and over, provides a tax credit equivalent to 30% of eligible expenses up to a maximum of \$21,600. The second, the Financial Assistance Program for Domestic Help, provides eligible consumers purchasing service provided by a social economy business with an hourly rate subsidy based on income.

Finally, the UK, like many other countries in Europe—and Ontario—is examining several aspects of their tax system to generate jobs and revenue. Prime Minister David Cameron has expressed very openly his interest in the Swedish example as a way to improve family welfare and support increased female labour force participation rates. The equivalent of the finance ministry is also concerned with the size of the underground economy and the morality of paying people in cash, because it leads to tax avoidance and, at worst, tax evasion. We were recently invited to review with senior tax policy officials in the UK our experience on the impact of value-added taxation on our industry, as well as this policy.

I know what you may be thinking: A tax break for housecleaning is for the rich, and/or it would cost the province too much money. To the first, I suggest that you look very closely at the socio-economic status of those who hire underground cleaners. It is the most affluent in our society who are paying private cleaners on a cash-in-hand basis. And the cash nature of the transaction ensures that it is driven underground. It is the rich who are therefore avoiding HST, WSIB and EHT contributions, and ensuring that private cleaners are in turn evading provincial income tax.

This policy pays for itself. Every dollar rebated to a consumer in the form of a tax credit means that the transaction has been shifted above ground, with government generating approximately \$2.15 in new revenues through a combination of HST, provincial income tax, WSIB, EHT and their federal equivalents.

The Chair (Mr. Kevin Daniel Flynn): One minute, Kevin.

Mr. Kevin Hipkins: Yes.

In conclusion, from an economic perspective, this policy shifts transactions that are done in the underground economy to legitimate businesses. It generates new government revenues. It generates 41,000 legitimate jobs. It helps working families, helps keep seniors living independently in their home longer, and encourages an increase in the female labour force participation rate. Economically and socially, we can see no downside to this policy.

Thank you, and I'll take any questions that you have.

The Chair (Mr. Kevin Daniel Flynn): It's going to have to be a very short one, Michael or Catherine?

Mr. Michael Prue: The only question I have—and I must say, I'm in total agreement with what you say, except several times you've indicated that people are ripping off the welfare system by working. What evidence do you have of that?

Mr. Kevin Hipkins: I don't know if you recall, Helle Hulgaard was an employee within the province and she was on the welfare side. When the GST was introduced and the economy was shifting more from legitimate to private cleaners, Helle Hulgaard said that she was better off to leave the province, clean homes and collect welfare.

So, what concrete evidence do we have? None. Anecdotal? I think there are several.

Mr. Michael Prue: Okay. Just one person saying that.

Mr. Kevin Hipkins: Yes.

Mr. Michael Prue: Okay.

The Chair (Mr. Kevin Daniel Flynn): Thank you very much for coming, Kevin.

Mr. Kevin Hipkins: Thank you.

The Chair (Mr. Kevin Daniel Flynn): We appreciate it.

ONTARIO CHAMBER OF COMMERCE

The Chair (Mr. Kevin Daniel Flynn): Our final presentation this morning is from the Ontario Chamber, if you'd like to come forward. One of you is not Allan O'Dette, I know that. But if you'd like to make yourselves comfortable, you get 15 minutes to make your presentation.

1150

Mr. Josh Hjartarson: All right. Let me know when the clock is ticking. Is it ticking now?

The Chair (Mr. Kevin Daniel Flynn): No, not yet, but it will be shortly. The questions this time will come from the Liberal Party. I'll let you know when you're getting close to the end.

Mr. Josh Hjartarson: Okay. In terms of questions, feel free to ask questions as we go. That's my preference, although I leave it to the Chair's discretion.

The Chair (Mr. Kevin Daniel Flynn): No, that's not the Chair's preference.

Mr. Josh Hjartarson: Okay, there you go.

The Chair (Mr. Kevin Daniel Flynn): I understand where you're coming from, but I've seen it spin off into space that way.

Mr. Josh Hjartarson: You have more experience than I, so I concur.

The Chair (Mr. Kevin Daniel Flynn): Anyway, the floor is all yours.

Mr. Josh Hjartarson: Okay, thank you. My name is Josh Hjartarson. I'm the vice-president of policy at the Ontario Chamber of Commerce. Prior to that, I was a policy director at the Mowat Centre.

What you have in front of you is a document that looks like this. This is the document that I'll be speaking to. It looks like this. I'm on page 1 now.

The Ontario Chamber of Commerce is a collection of 160 local chambers, representing 60,000 businesses across the province and a combined employment of two million and 17% of GDP. I think we can credibly claim that we are the voice of business in this province.

What I'm going to do right now is, this is our view on the seven steps that Ontario can take to help foster economic growth. These are things that can be done immediately. These are subsumed within our broader economic agenda, which is another document that we've provided to you, which is called *Emerging Stronger*. *Emerging Stronger* is our five-year agenda of 43 concrete steps that government can take and business can take, working together, to make sure that Ontario emerges stronger from this period of economic dislocation.

Our argument—and my stakeholders get tired of hearing it, perhaps—is that Ontario faces a clutch moment, if you will. We have a skills mismatch. We have historically high unemployment and underemployment, and yet we have employers begging for skills. We have record debt, large deficits, plus, as we all know, our economy is restructuring. So what are the concrete actions that we can take together, both as a business community and government, so that we can emerge stronger?

We provide seven steps. Underneath those are 15 concrete actions. I will not speak to all of them. I'm just going to go over the highlights of the ones that I think are unique, which you probably may not have heard of yet, and are most important to us. I'm now on page 3 of this document.

What's unique about the Ontario Chamber of Commerce is the fact that, again, we have 60,000 members. I was brought in to revitalize the engagement, in terms of the policy side, with our membership. What you have in front of you is based on our survey of our membership. Our surveys routinely generate 2,000 responses. Any statistician will tell you that is statistically significant.

On page 3 you'll find that 76% of businesses in Ontario believe that reducing the size of government should be a top priority. This notion that we need to tackle our deficit: We provide four concrete steps that we think government can take, one of which, of course, is moving forward with broader public sector compensation restraint. We are particularly interested in maintaining wage and hiring freezes, expanding those, and also fixing the arbitration system, particularly at the municipal level, to reflect fiscal realities there.

Another priority for us is continuing to urge the federal government on the fiscal gap. It's broadly recognized that Ontario pays about \$12 billion more into the federation than it gets back in services. This most recent federal budget had some good news for Ontario, and I'm happy to elaborate on that later.

I'm now on page 5, and I'll draw your attention to the header called "Transforming Government."

I had the opportunity to attend a speech by Minister Duncan before he resigned from his post, and I think he made two startling observations. One is that if Ontario is going to meet its deficit-reduction targets, it needs to basically double down on its efforts—\$1 billion cut in the previous two years; in order to meet those targets, \$2.5 billion was required—that, plus the fact that we've tackled the low-hanging fruit, as it were.

What we need is transformation, and the Ontario Chamber of Commerce is about three weeks away from

releasing a paper on alternative service delivery. Where are there opportunities to save money by allowing the private sector to deliver some public services? Our belief—and it's largely consistent and coherent with what we see in the Nordic countries—is that you can have robust welfare states, you can have robust single-payer health systems and allow the private sector to generate efficiencies and reduce the costs of overall service delivery.

Our first step or concrete action that we think government should take is to expand the work, continue the work, of the Drummond commission and actually conduct, in partnership with the private sector, a system-wide audit of service delivery in this province. Invite private sector opinion on how their involvement can reduce costs.

I'm now on page 6.

One of the unique things about our organization now—it's a revitalized organization—is that when we ask our members questions, they tell us. We can actually aggregate and provide real data that is quite meaningful and quite important. We asked our employers, our members: "Have you had difficulty in the last 18 months hiring someone or filling a vacancy due to a lack of skilled applicants?" Some 30% of employers in Ontario have said they've had difficulty in the last 18 months finding skilled applicants for their jobs. We identified the sectors where the shortage is most acute; for example, engineering and infrastructure, and energy and utilities.

What can we do about it? I think we need to reinvent, and the OCC thinks we need to reinvent, our employment and training services. I can speak to that at length, but I want to draw your attention to recommendation number 6 on page 6.

The federal government is in the process of re-engineering the immigration system and allowing employers and provinces to potentially play a much greater role in selecting immigrants to fill the skills gap. Historically, Ontario could be a passive actor; immigrants would select it. We receive the bulk of economic immigrants; we receive the bulk of skilled immigrants. We've seen a dramatic decline in the number of economic and skilled immigrants coming into Ontario. Other provinces have built the capacity to help business, to work with business, to identify skilled immigrants through the provincial nominee program and bring them to their province. I'm worried that we're going to get left behind. I think creating the infrastructure to take advantage of the opportunities in the expression-of-interest system has to be a priority. It absolutely has to be a priority. We want to partner with you; we want to help build this capacity.

I'm now on page 7.

We think government needs to continue creating the winning conditions for business. Number 7 on page 7 is: "At a minimum, the government should maintain the corporate income tax rate." We do know the corporate income tax rate is frozen at 11.5%. It was scheduled to go down; we've accepted that. That's reasonable in the context of fiscal constraint.

What I will point out, though, is that Canada, and Ontario specifically, has lost its wage advantage vis-à-vis the United States. That's a reality. Let's not lose our tax advantage. It's vitally important to our investment climate. Although there are proposals out there around corporate income tax, I encourage you to think through the implications from an economic competitiveness perspective.

I'm providing you with the highlights. I'm now on page 10, "Bridge the Infrastructure Gap."

We have bought into the argument, and most of our members have—I'll draw you to the statistics at the bottom. Some 66% of GTHA businesses that we polled—it's a substantial n; it's more than 600; it's a statistically significant n—say that we need new revenue tools to fund the Big Move. I think this discussion is really important, because I think it's a proxy for discussions that have to happen across the province. We do know that the entirety of the provincial budget, the allocation for infrastructure, will be tied up in amortization by 2017. We need to have a frank conversation, and we're looking to all three parties to participate constructively in that conversation about how we pay for things like the Big Move.

I'm on my last point. Page 11: "Build the Evidence."

We function in a profound data vacuum. So many of our public policy decisions over the next few years will be around, for example, shortages in the workforce and skills shortages. The reality is, despite the significant girth in the Ministry of Finance and the Ministry of Training, Colleges and Universities etc., we don't have some answers to some basic questions. For example, where are the skills shortages? The best I can do is I can survey my membership. I'll give you 2,500 responses; it's the best proxy that I'm aware of. But what we don't have is some of the basic responses to those basic questions. For example, again, where are those skills shortages, and in what professions, what occupations? No one in this province has an answer.

I think that we're looking for, and there needs to be, a real investment in terms of building the capacity so that businesses can plan, so that virtuous public policies can be created, so that training can be reinvented—again, to match what I think is one of the big challenges that we face as a province: matching labour supply and labour demand.

That, more or less, is where I finish.

1200

The Chair (Mr. Kevin Daniel Flynn): Wonderful. Thank you, Josh. You've left quite a bit of time for questions, four minutes. Steven.

Mr. Steven Del Duca: Thanks, Josh, for that presentation. Just a quick question from me: On page 10, where you talk about bridging the infrastructure gap, I'm happy to hear some of your comments. Just out of curiosity, how does the chamber feel about some of the proposals that came out of the Toronto Region Board of Trade earlier this week?

Mr. Josh Hjartarson: The million-dollar question. The Toronto Region Board of Trade released its recom-

mendations, so we're in the process—in fact, I was in Ajax-Pickering yesterday—of running consultations across the GTHA with our local chambers and local businesses. So far, we've had face-to-face consultations with over 150 businesses on precisely this question.

I cannot react to your question until I've done the due diligence with my membership, but we will be coming out over the next month and a half with recommendations that reflect the interests and the desires of our 905 members. We will be coming out with something. It's not a particularly satisfying answer, but we will come out with something.

Mr. Steven Del Duca: Soo?

Ms. Soo Wong: I just wanted some clarification. On page 5 of this booklet here I'm looking at, you talked about transforming government, more usage of private and not-for-profit sectors. One other speaker this morning spoke about her organization's concerns about P3s. What you're saying is your organization, the chamber, does support P3s, based on the statement here.

Mr. Josh Hjartarson: This is P3s in the context of social and health services, human services.

Ms. Soo Wong: That's what I wanted to make sure of.

On page 6, you made reference to the immigration piece. I'm sure you're aware that our government has consistently asked the federal government to have greater control of immigration, and it has not been done.

Mr. Josh Hjartarson: Absolutely.

Ms. Soo Wong: I'm hearing your chamber is supportive of our position to ask for greater control and management of immigration to Ontario. Am I correct in hearing that?

Mr. Josh Hjartarson: Absolutely.

Ms. Soo Wong: Okay, that's very good to hear that.

Mr. Josh Hjartarson: May I build on that statement?

Ms. Soo Wong: Yes, absolutely.

Mr. Josh Hjartarson: The reality is Ontario only has an allocation of 1,000 in the provincial nominee program. That's only 5% of the total federal allocation. We are a big player in this space. I'm constantly on the radio hammering away at the federal government to have this fixed.

The reality, though, Ms. Wong, and I'll be perfectly frank about it, is if Ontario is going to play a bigger role, I'm not convinced that the infrastructure exists yet to the extent that it exists in Alberta, and that's not a criticism. It's a fact that we could be passive players; right? But if we're going to get in the game like Alberta's in the game, we have to build the infrastructure. The federal government is going to open the tap. The question is how much of that water are we going to siphon? My worry, again, is that Alberta and Manitoba are ready. Are we ready?

Ms. Soo Wong: Okay. Do I have more time, Mr. Chair?

The Chair (Mr. Kevin Daniel Flynn): Yes, you've got about a minute left.

Ms. Soo Wong: A minute left, okay.

Can you further elaborate, because we have heard from different speakers, about the crowd funding regime

on page 7? It seems to be the new winning condition. Can you elaborate a little bit more about this?

Mr. Josh Hjartarson: The crowd funding regime, we know that governments across the world—and we know that one of the anomalies about Canada is that security is regulated at the provincial level. I'd like to get that fixed as well, but that's a conversation for a different time. If you accept the fact that there is a shortage of venture capital, and there is relative to the United States—you could explain that as a cultural phenomenon etc. That's a different story, but I think what we need to do is at least create the plumbing so that we can match supply and demand with capital. It's a lot of these small firms that are having troubles, that can't deliver the prospectuses needed in order to participate fully in securities markets.

How do you create some shortcuts while at the same time maintaining investor safety? Often what happens in crowd funding is that actually there are limits on what individuals can contribute as a mechanism of consumer protection, if you will.

The rest of the world is going there. We should be on that. I know that there are a number of proposals out there. All we're doing is voicing general support for the concept. Our members, I think, are ready to tap this market. The plumbing needs to be in place, as it were.

Ms. Soo Wong: Thank you very much.

The Chair (Mr. Kevin Daniel Flynn): Great, you're the last delegation of this morning. Thank you very much for coming, Josh. We appreciate it. The quality of the presentation was great.

Mr. Josh Hjartarson: Thank you.

The Chair (Mr. Kevin Daniel Flynn): Before we go, I think there's one—Peter, before you go—

Interjection.

The Chair (Mr. Kevin Daniel Flynn): Oh, you're not? Okay. You're excused. We're going to deal with a little bit of committee business, I think. Steven, you have a point?

Just before we go, lunch is in room 2. It's being provided.

Steven's got something here.

Mr. Steven Del Duca: I do. Thanks very much, Mr. Chair. Firstly, I want to recognize that this wonderful committee has been doing some great work travelling across the province, listening to budget submissions of Ontarians, albeit the travel hasn't involved me up until now. I understand the committee has travelled to Windsor, Timmins and Ottawa, and now we are here back in Toronto. It's important to note that through the sub-committee, all three parties did agree to the locations for these consultations.

I understand that in the past few days, the committee has also been asked if we could conduct some kind of pre-budget consultation with northwestern Ontario, so I wanted to propose a short discussion today with the committee to see if this can be arranged. One possibility would be for video or teleconferencing so that we can connect with as many communities across the northwest as possible. I did also want to say that since we are

working on tight timelines to submit the final report to the finance minister with enough time to help inform his budget, I would recommend that we proceed with report writing as scheduled. But I wanted to see if we could also conduct these additional consultations. The results and recommendations from these consultations could be added to the draft report.

I believe that any special meeting of this particular committee needs authorization from the House. I'm not specifically moving a motion; I'm just raising it for a point of discussion or an issue for discussion for the committee at this time.

The Chair (Mr. Kevin Daniel Flynn): From Peter, then Michael, and then we'll take it from there. Peter?

Mr. Peter Shurman: I don't think we, in principle, have any difficulty with additional hearings so that we can address northwestern Ontario and the specifics that are being requested. I'm sure you can manage the House situation.

What I would be concerned about is the timing. Since we began the planning for these hearings at the subcommittee level, we've had an issue with the fact that the government has not been forthcoming, not even to the Chair, about what its intentions are with regard to the date for an Ontario budget. So report writing has been affected, and I know that was modified by subcommittee yesterday. But we're still taking this out to next week on Thursday for half the report writing and the following week for the final edition of the report.

I don't know what it is that you would propose, given that it's going to take you until at least Monday to get the House to approve of any motion that you make. So I'll just say what I started out saying again: in principle, no difficulty; in practice, I don't know how you plan to get it to happen.

The Chair (Mr. Kevin Daniel Flynn): Michael.

Mr. Michael Prue: From the beginning, the committee went on the idea that the budget was coming down on the 18th. We have not been disabused of that at any time, nor have we been told when it's going to be. The reason that everything has transpired the way it has is because we have to have translations done, we have to have reports written, we have to travel the province, we have to hold hearings, we have to have motions made, and it's all down to having that in the minister's hands before the 18th of April. I would gladly agree. As a matter of fact, I was the one who proposed that we go five places outside of Toronto, and I got cut down to three. That's how poor Thunder Bay got cut: because we didn't know.

If the Liberals can find out if the minister can divulge to any of you that he is not bringing down his budget on the 18th of April but is bringing it down towards the end of April or into May, I will gladly accede to your request—absolutely, totally, gladly. But until we get that information, I don't know what I can say.

The Chair (Mr. Kevin Daniel Flynn): Catherine?

Ms. Catherine Fife: My only concern is that we go through sort of an optics of public consultation to accom-

modate the request from the party. For me, I'm more than willing to extend another day of consultation, but only if it's truly meaningful, and only if we have that date. As soon as you can find that date out, I think that perhaps the subcommittee can then make a decision.

The Chair (Mr. Kevin Daniel Flynn): Yes, we just wanted to get this on the table, or Steven wanted to get it on the table today. He just notified me of it. I just wanted to take the temperature. Let's go to Steve and then back to Monte.

Mr. Steven Del Duca: Obviously, I heard it pretty loud and clear. I understand there are potential logistical challenges. No one on this side is in a position to confirm the date of the budget, sitting here today. But what I can say is I think that if there's a will, there's probably a way to make sure that we can keep the report schedule on track but make sure at the same time we can give the residents of northwestern Ontario the chance to make their voices heard. So be it through the subcommittee or through discussion here or later, I think if we all work together on this there will be a way to make sure that we can get their input and make sure we can keep the report schedule on track.

The Chair (Mr. Kevin Daniel Flynn): From the Chair's perspective, I've been made aware that there is a concern. I don't know the magnitude of the concern. There are some people who wish they could have been heard from in Thunder Bay. I believe it appeared in the media up there. So perhaps if—

Mr. Peter Shurman: Chair, point of order: It should be on the record that we proposed Thunder Bay in a discussion point when we put together the schedule of travel, and there was consensus for others, so Thunder Bay was lost. It's not any bias against Thunder Bay, certainly not on my part; I proposed it.

The Chair (Mr. Kevin Daniel Flynn): No, I'm not suggesting that at all.

Mr. Peter Shurman: But if the government doesn't want to tell us when they want to do this, then we can't—

The Chair (Mr. Kevin Daniel Flynn): Okay, let's calm down here.

Mr. Steven Del Duca: Chair, the travelling subcommittee did agree to the travel schedule. All three parties are on the subcommittee.

The Chair (Mr. Kevin Daniel Flynn): That's right. I'm trying to be helpful from the chair here and trying to accommodate Thunder Bay, because obviously there is an appetite, I think. I'm hearing from the committee to try to hear from Thunder Bay.

Mr. Steven Del Duca: Northwestern Ontario.

The Chair (Mr. Kevin Daniel Flynn): Northwestern Ontario. It may not mean that we need to physically travel to Thunder Bay. Perhaps this can be accommodated by teleconference, unless there are 30 people who want to talk to us in northwestern Ontario. That's what I was suggesting.

Monte?

Mr. Monte McNaughton: To go on what Mr. Prue was saying—the federal government, who runs the entire

country, had a budget yesterday, and we can't even get a date as to when the budget's going to be in the province of Ontario. I mean, it—

Mr. Steven Del Duca: Point of order, Mr. Chair.

Mr. Monte McNaughton: Can I finish?

Mr. Steven Del Duca: Point of order. I'm really not sure how this is germane to the point. The point is—

The Chair (Mr. Kevin Daniel Flynn): Let Monte finish. We're trying to get this out in the open a little bit and have a discussion. If we need to refer to the subcommittee to sort it out, I'm quite happy to do that. I was hoping there would be a meeting of the minds, perhaps, as this went forward.

You keep going, Monte.

Mr. Monte McNaughton: I just wanted to say that, yes, this was planned out in a particular way, based on when a budget was going to be, but I think the responsible thing would be for the so-called new government to announce when the budget is going to be.

The Chair (Mr. Kevin Daniel Flynn): Okay.

Mr. Steven Del Duca: I repeat: Especially with the options that technology presents to this committee, I think it shouldn't be that difficult logistically for us to sort this out, if there's the willingness on the part of the parties opposite to actually hear from the people of northwestern Ontario.

The Chair (Mr. Kevin Daniel Flynn): Will the subcommittee agree to meet, then, on this? Peter?

Mr. Peter Shurman: No. Frankly, the subcommittee, at least as far as my party is concerned—I said I would agree, on behalf of my party, in principle to the concept. But unless and until this government tells us when this budget is coming, so that we can schedule hearings—if it's to be with northwestern Ontario or any other part of Ontario—schedule report writing and schedule presentation of that report to the House, based on a schedule that he provides on when this budget is going to be tabled, I'm not agreeing to anything.

The Chair (Mr. Kevin Daniel Flynn): Okay.

Mr. Michael Prue: And if I could say, I'm happy with that, but I don't want to do a teleconference. I think if we're going to meet with the people of northwestern Ontario, we should meet with them face to face, like we did everybody else, and not treat them in a different way.

But I do concur with what my colleague from the Conservative Party said. This is not a difficult proposition. The minister has probably already made up his mind on the date. In fact, much of the budget will already be written as we speak. So please, please, if you can't find this information out, don't come looking to me or, I think, any of the members of the committee, because we cannot put in jeopardy what we are trying to put in front of the minister, by doing something else.

The Chair (Mr. Kevin Daniel Flynn): Okay. Let's—

Mr. Steven Del Duca: Only one thing I would say to that, Chair—I'm sorry—is that in my opening statement, my opening comments, I did say that we believe that the schedule of the report shouldn't be affected by this. There are ways to sort these things out.

I hear that there's an intention or a willingness on the part of the caucuses opposite to try and hear the voices from those individuals who are interested to talk to us from northwestern Ontario. I think we need to keep working together, keep talking about it, to try and find a way to make sure that we can satisfy that desire.

The Chair (Mr. Kevin Daniel Flynn): Time is limited. Our lunch time is limited. Peter, you don't want the subcommittee to meet, or you do?

Mr. Peter Shurman: No. I will repeat what I said. In principle, no problem. However, I'm not voting for this unless and until you tell me the schedule.

Mr. Steven Del Duca: We didn't ask for a vote.

Mr. Peter Shurman: Well, I know that, and I'm saying, if you put it to a vote, my answer is no.

The Chair (Mr. Kevin Daniel Flynn): Okay. Well, let's leave it at this. We do have to eat before we hear from the next people.

The concern has been put out on the table. I don't think it's any surprise to anybody that there was some article in the paper up in Thunder Bay. That may be an expression of an even bigger concern up there; I don't know. But at least it has been put on the table. Give it some thought, and then perhaps this afternoon we can bring it back and see if we can sort of resolve it.

But in the interest of being able to eat lunch before the 1 o'clock, why don't we recess right now and come back and go at it again?

The committee recessed from 1214 to 1302.

ONTARIO TRIAL LAWYERS ASSOCIATION

The Chair (Mr. Kevin Daniel Flynn): Okay, ladies and gentlemen, if we can call back to order now, our first delegation for the afternoon is the Ontario Trial Lawyers Association, John Karapita, director of public affairs. If you would introduce your colleague as well, John. You've got 15 minutes; use that any way you see fit. The questions will come from the Conservatives.

Mr. John Karapita: Thank you, Mr. Chair. My name is John Karapita, and I'm the director of public affairs with the Ontario Trial Lawyers Association. I'm here with Andrew Murray, who is the president of the Ontario Trial Lawyers Association. I'll turn it over to Andrew to make some remarks.

Mr. Andrew Murray: I'm a lawyer with approximately 20 years of professional experience dealing with auto accident victims. I act for the plaintiffs. I don't do defence work. I'm the president of the Ontario Trial Lawyers Association at this moment, often referred to by the acronym OTLA.

The area where our group thinks that we can add some value to this process is in discussion about certain auto insurance issues that affect every motorist in this province because we have a system of mandatory insurance requiring all motorists to purchase a statutory product.

The recommendations that we want to make today aren't really things that should cost money, which we think makes them attractive recommendations. We're not

coming here asking anyone to really spend a lot of money. We have some short-term recommendations and a mid-term recommendation that we can offer, and I hope to leave some time for some questions.

In terms of short-term recommendations, we encourage all parties to work towards progress—and some progress has been made, but we need continued progress—with the mediation backlog at the Financial Services Commission. It is a fundamental access-to-justice issue when the gate that lets people in or out of the dispute resolution process is closed for 12 months or more and they're not allowed to pass through to the next stage in resolving their dispute.

When the no-fault insurance scheme first came into play, it was noted that this was going to be a simple way of getting people to talk. That's a very laudable goal, but if people cannot talk because system issues prevent them from talking, then the system is broken. There has been progress made in the last year—I need to say that—but we can't take our foot off the gas on that issue. So I raise that as a short-term goal that's within reach, and we must all work together to continue to fix it.

A second short-term goal is the implementation of the recommendations that came forth from the anti-fraud task force, a group that OTLA consulted with—myself in particular at some length with that task force. I think it's fair to say that there has been significant consensus with the recommendations that were made by the task force. It's actually quite remarkable that there has been as much consensus as there has been. If we assume that there's unanimity on something like 80% of the recommendations, let's hope that there's a timely unfolding of implementation of those recommendations.

If we accept what the insurance industry has said about the extent of fraud in the system—and unfortunately, there's not adequate data to really give us a clear insight on it, even from the perspective of the accountants who've looked at it to date. But if we accept the kind of numbers that are being bandied about by the insurance industry itself, there are considerable savings to be made there. We would be remiss as a society if we did not do what we could do to ensure that it's not fraudsters getting these benefits and that, instead, it's the truly injured accident victims who are getting these benefits.

We have a system in place right now that is a combination of a tort system, where you sue somebody who has caused you harm, and a no-fault system, so that if a deer runs out in front of you and you swerve to avoid it, crash into an embankment and fracture your pelvis, you're able to get the rehab that you need, get the income support that you require and get, hopefully, back to work. That's an important societal goal, because those people are taxpaying individuals, so when they get back to work, they continue paying taxes. When they're not working and they need to receive benefits from the public purse, they're a drain on our society. So I think we all have an interest in ensuring that accident benefits are flowing to the accident victims.

I note with some interest that from 1990 to now, there have been various iterations of this tort and no-fault

system that all three parties have tinkered with. On one level or another, all parties have had their hand in this pie, and it hasn't lent itself to an absolute solution, but we all want to work together to find the right solution.

The third point that I would make—this one is short-term, but it bleeds into more of a mid-term goal—is ensuring that there are adequate data, statistical information and facts and figures available to make informed decisions about the auto insurance package. When I refer to data, I talk about the number of claims of catastrophic individuals in our system, which are pegged at something like 1% of the overall number of claims. How much is that really costing our system? How long are those files being kept open? How many files are being determined to be catastrophic only after there has been a hearing, as opposed to after some kind of a negotiated resolution? There hasn't been a very transparent disgorgement of those types of facts so far. If that could be made available, it would help everyone to come to the right decision on certain issues that have currently been looked at over the last 24 months.

If facts, figures and statistical analysis were made more transparent on the issue of insurer profitability, that would really help us all in figuring out whether we have a problem that needs to be tackled. Are premiums too high relative to the coverage that we're getting? Should premiums be lowered within the province of Ontario? We would encourage a thorough investigation of the return on equity which was mentioned by the Auditor General last year, and there has been some discussion about that again. Further, the return on equity that was set at 12% was mandated at a time when we had a much higher inflation rate.

We're living in historic times, and it looks like there's no particular end in sight to the historically low level of interest rates that we're facing. It would be a very good cause to revisit an analysis of whether the 12% return on equity makes sense under the current environment, and that's something, quite frankly, that's best done by an independent individual. It's probably not well done by OTLA or by politicians of any stripe, because we probably lack the knowledge and the in-depth data to do it properly. If an independent individual makes those recommendations, it's something that all stakeholders—the insurance industry, the public, the politicians and trial lawyers alike—can probably buy into and accept more readily.

In any work that is done with the auto insurance package, my organization would urge this group and any other group to be mindful of what we call the three Ps. I'm sorry that some of you may have heard me talk about this before, but some of you may not have heard me talk about this before. We refer to the three Ps as an analysis of profits, premiums and protection. You can think of it like three legs on a stool. If one of those legs is too long, or if one of those legs is too short, the stool is all askew.

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There's been a lot of discussion lately about profitability and what that means for premiums. There's been a

call for premium reduction, which—quite frankly, we probably were one of the first groups suggesting that there ought to be premium reduction. But we would urge everyone not to look at one leg of the stool in isolation. By lopping off one of the legs of the stool—reducing premiums—what might that do to one of the other legs, which should be protection?

We would call for a holistic analysis so that if premiums are reduced or profits are analyzed, it's only done in conjunction with an analysis of whether the protection in the system is adequate. If we lower premiums—if we cut them in half—but it's at the expense of ensuring that our injured accident victims have the coverage that they need, we're not doing anyone a good service.

If we lower premiums to the point where the insurance companies cannot maintain a profitable business in Ontario, we've not done a good service, because under our current system we need to have a competitive system of multiple insurance companies competing for business.

If we don't have protection, we don't have the system. We have to look at the three legs on the stool. If you think of it in that sense, the statistical data that I've called for, that my organization seeks, has to be a very important aspect of that analysis because you can't truly know what you're dealing with until you have all of that data in front of you.

I had the opportunity, the privilege, of speaking before the standing committee hearings that were looking into auto insurance. I appeared at Queen's Park back in May and again in Windsor in July of last year. It seemed to me—I read the transcripts from Hansard and I listened to a number of the speakers orally—that there were a lot of good ideas that were coming forward.

The final recommendation that I would have—which, again, I don't think costs very much money, and I don't know what process this takes politically. But if that process can be resuscitated—because it was put into suspended animation when the previous government was prorogued—so that all of those comments and all of that information doesn't just die, we would certainly recommend that that would be a good thing as well.

I'm going to stop my formal submissions there so that there can be time allowed for any questions.

The Chair (Mr. Kevin Daniel Flynn): Okay. The questions are coming from the Conservative Party, and you've got four minutes. Monte?

Mr. Monte McNaughton: Thank you very much. Excellent presentation.

When it comes to the mediation backlog at the Financial Services Commission of Ontario regarding auto insurance claims, can you estimate how much the backlog contributes in extra costs to the insurance system—a dollar figure?

Mr. Andrew Murray: I'm not in a position to do that because of the exact point that I made earlier with respect to the lack of data flowing.

A number of us were gratified to see the ability to fail a mediation on consent for those issues where it was absolutely crystal clear that the parties were so diametric-

ally opposed, either in law or on fact, that the mediation was just a barrier. But to the extent that that is costing money—I'm in a difficult position to make that comment.

Mr. Monte McNaughton: Okay. Can you explain why the Financial Services Commission of Ontario was the only provider for disputes?

Mr. Andrew Murray: Well, it's actually not fair to say at this moment that it's the only provider, because they did have an outsourced request for proposal that landed at the feet of something called ADR Chambers. They are now doing a private service as an adjunct to what the FSCO mediators are doing. I can talk from my own file cabinet that I've been having a very timely response from some of the ADR Chamber folks. The addition of individuals added to the roster is certainly making a dent in the mediation backlog, so I would see that as a positive thing.

Something to look forward to—and if you can think of this—you hear people in Manitoba worrying about the Red River, and you know that if there's a flood upstream and it crests, you can know that two days down or three days later, the crest is going to reach another town. What I do worry about is that as we pass people through the mediation backlog, if it's just letting them loose by failed mediations or mediations that did not occur, I do worry that now we're going to have a bottleneck when it comes to arbitrations and litigation because now those people will have a barrier but it's at a later point in time. So in terms of a mid-term strategy and being proactive rather than reactive, we should be looking at where we're headed with those disputes.

Mr. Monte McNaughton: Okay. Can you describe a typical mediation session? What's the goal of the mediator and what are the typical outcomes?

Mr. Andrew Murray: The typical mediation session is completely driven by the insurance industry's goals because if they come there with no money, nothing happens whatsoever. I had one where I waited 14 months and I invited them at the six-month mark, "Why don't we fail this mediation on consent?" They said, "No, we want to hold out for the mediation." I said okay. We got to the mediation and the mediator was pleading with the insurance industry rep because they said, "Actually we have no money today to offer of any kind, and we have to fail this mediation," which I said we could have done eight months ago.

Usually what happens is, if the insurance company is interested in talking, they want to wrap the whole file up, not the isolated issue in dispute that brought the case to the mediation. They want to lump out the file so that they clear the file off the deck in its entirety. But that's completely driven by my opponent's agenda. I have no control over them doing that. As with any negotiation, if the other side refuses to negotiate, you can't do anything, essentially.

The Chair (Mr. Kevin Daniel Flynn): You're down to 40 seconds.

Mr. Monte McNaughton: Does the Upper Canada law society provide accreditation for its members who wish to be mediators?

Mr. Andrew Murray: I'm not aware that the law society provides accreditation for mediation, but there are many, many other groups that do. One can take mediation courses from any number of groups.

Mr. Monte McNaughton: Okay. That's good.

The Chair (Mr. Kevin Daniel Flynn): Thank you, and thank you for being here today.

Mr. Michael Prue: If I could, Mr. Chair, is this an appropriate time for me to ask a question? I seek your direction. I have a motion which I wish to make concerning the discussion earlier. Is this an appropriate time or should we do it at the end of deputations or somewhere in the middle?

The Chair (Mr. Kevin Daniel Flynn): If we try to keep ourselves on schedule perhaps today, maybe we can do it as the first order of business after we hear from the last delegation, unless somebody doesn't—

Mr. Michael Prue: Okay. So that would be some time around 6 o'clock?

The Chair (Mr. Kevin Daniel Flynn): Yes, unless somebody doesn't show up and maybe we could make use of that time.

Mr. Michael Prue: Thank you.

ONTARIO ASSOCIATION OF CARDIOLOGISTS

The Chair (Mr. Kevin Daniel Flynn): The next delegation is the Ontario Association of Cardiologists. Come forward, Dr. Swan. Good to see you again.

If you'd like to make yourself comfortable there. You've got 15 minutes like everybody else. Use that as you see fit. If you want to leave a little bit of time for questions, they'll come from the NDP. I'll let you know when you're getting close to the 15-minute mark.

Dr. Jim Swan: Thank you very much.

The Chair (Mr. Kevin Daniel Flynn): The floor is yours.

Dr. Jim Swan: My name's Jim Swan, and I'm a clinical cardiologist here in Toronto. I'm speaking today on behalf of the Ontario Association of Cardiologists. Unfortunately, our president, Bill Hughes, is tied up doing medical things today and couldn't make the presentation.

For those of you who don't know who we are, we represent approximately 300 of the 400 cardiologists who practise clinical cardiology in the province today. Our goal is really to make sure that the high standard of cardiac care that we have continues to occur. We have a long track record of working with various governments to do good things for patients.

One of the things that we did in the late 1980s was, we founded—some of our members helped found the Cardiac Care Network for Ontario. I'm proud to say I was one of those individuals who helped found that organization. Now the reason that organization was

founded is we had patients dying on waiting lists for open-heart surgery. So, we were able to develop a network so wherever you lived in the province of Ontario, you would have equal access to cardiac care.

This network became so successful that people from the United States, the UK, Australia—different places—came and looked at what we did. One of the proudest forms that you can do is have someone copy what you did, so many people copied us, and we shared with others. The benefits are that we don't have people dying on waiting lists now. We have better care in Ontario, and we're very, very proud of our network.

Many of you in the room I'm sure were involved when Cancer Care Ontario came into being. They, again, looked at some of the good things that we did and said, "We'll copy you again," and they did and it was successful.

In the middle 1990s, there were problems that we saw as cardiologists. I want to stress that we've always had a good relationship with the various governments that have been there and with the Ministry of Health. We've always tried to do what's right for our patients. We saw that there were some abuses in the system and we developed the document which was called standards for echocardiography in 1995. We presented it to our own Ontario Medical Association, we brought it to government, and we passed it around. Basically, it didn't go anywhere.

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About a little over a year ago, the Cardiac Care Network asked the cardiac community to come together again and bring forward a document on standards to address echocardiography. This document was produced in January 2012; it was accepted by the Cardiac Care Network and lay dormant for a few months.

As you know, last year was a tough year for governments and the medical profession. Our negotiations fell apart in April, and we were left with a bit of a stalemate. What happened is, the current government decided that they were going to pass an order in council, and that order in council was going to change how we delivered cardiac care in the province of Ontario.

It was going to change it for two reasons. One is on funding, and the other was on a definition of what we require when we do a test, and it was a definition of self-referral. When patients come to our offices or our clinics in the hospitals, we need non-invasive cardiac testing to help us determine where best they fit into the system. That definition clearly stated that if you, the physician, referred that patient to a lab that you helped operate or were affiliated with, the government would then pay you, whether you were in a hospital or in a community environment, only 50% of the technical fee and 50% of the professional fee.

Many of you probably don't know the difference between a technical or a professional fee. The technical fee is the fee that we have to pay to purchase the equipment, to pay the technologist to do the test, to pay the service contracts—all the other ancillary support

services to generate that final report to get it back to the physician who initiated it. The professional—

Mr. Michael Prue: Could you just move back—

Dr. Jim Swan: I'm sorry; I apologize.

Mr. Michael Prue: I was getting anxious.

Dr. Jim Swan: The professional side covers the cost of supervising the test and generating the final report by the cardiologist.

You can see that, whether you're in a hospital environment or a community environment, if 50% of the technical fee disappears—and we haven't had an increase in technical fees for over 20 years—it becomes financially impossible to continue to operate that laboratory.

When we developed the Cardiac Care Network, we were also asked by government to please put in non-invasive cardiac testing facilities closer to patients' homes—in small communities, in smaller hospitals. The hospitals and the cardiology community responded, and we have a widespread network now of non-invasive cardiac testing facilities.

With this new legislation, we became concerned as cardiologists that we were again going back to something that we didn't want to see happen again. We didn't want to see people die on waiting lists, nor did we want to see cardiac care be jeopardized.

So we took it upon ourselves and we struck out alone—not with the Ontario Medical Association but on our own. We sought out advice from the government on how we could resolve this problem. We met with Minister Matthews, the opposition parties' health critics and others in the Ministry of Health. We understand that you have a deficit, but we said, "Not only do you have a deficit, but we have a problem with your new definition of self-referral. But we also have a solution—how we can save you money."

Unbeknownst to us, ICES, which you all know works behind Sunnybrook hospital, took our data from January, analyzed it and said, "Guess what? If you put those standards into effect, we can save \$44 million." So when we arrived in the health minister's office, and the other people who were very kind to help us—they were all very supportive of what we had done. They worked very hard with us.

When the new legislation was supposed to go into effect on July 1—and I compliment Minister Matthews for this—she did not enforce the definition of self-referral. Instead, what she said is, "I'll appoint a commission"—called the Rubin commission—"that will study it," and she'd have them report back to her in the fall. They studied it, they looked at it and they agreed with us that our recommendations were very reasonable. Minister Matthews accepted it, and then she asked the Cardiac Care Network to go ahead and implement these standards.

There are many good things about the standards, but the best thing about the standards is they get rid of inappropriate testing. When you get rid of inappropriate testing, you ensure that the patient gets the right test at the right time by the right people, in labs that are

accredited. So the actual cost of running that type of test in our system goes down.

We also get rid of poor-quality laboratories, and this is something that we're all concerned about. I know that people in government are, but we in the profession are as well.

Now, what we're asking this committee to do is to see if there's some way that you can speed up the implementation of these guidelines, because we think it's important that we generate the \$44 million, get it back into the system and help pay down the deficit. Possibly there's an opportunity to take some of those funds and direct it towards new technologies which are coming forward in cardiology that many of you in the room are probably familiar with. We have ways of replacing an aortic valve with a balloon. We're tackling mitral valve disease percutaneously. We've got complex ablation. These are all processes that need to be funded, and there are savings there.

We also are the experts in cardiac disease. Our relationship with the government broke down a little bit last spring when all this happened, but we have a good track record with government. We've done good things for the province of Ontario. We want to be actively involved in implementing these guidelines. We think we can do a very good job if we open up that partnership, and we can save money.

I heard this week the new Premier say that she wanted to have conversations with cardiologists and other people when they had problems. I think we would not have had our problem if maybe we had been able to have the conversation. We would like to have more conversations now, and we know there are other areas in non-invasive cardiac testing where we can develop similar guidelines to save money for the province and be cost-effective.

With that, I'll just thank you all for your attention and be glad to take any questions.

The Chair (Mr. Kevin Daniel Flynn): Great. Thank you, Dr. Swan. The questions are coming from the NDP. You've got four minutes, Catherine.

Ms. Catherine Fife: Thank you for the presentation. You mentioned just near the end there that some of the recommendations need to be put in place so we are ensuring that poor-quality labs are not continuing into business. Can you extrapolate a little bit on that, please?

Dr. Jim Swan: Well, if you look around the world today, most laboratories that function as we do in Ontario have standards, and we don't have standards. If you have a lab with standards, then they have to do all the appropriate things. They have to have a service contract. The equipment has to be inspected properly. You can't have equipment that's outdated. There's many things. Right now, we don't have any of those standards. We also have to have skilled people interpreting the tests. There are standards, again, for those. If you look at our document—it's 42 pages, and I don't expect anybody to read it this afternoon—it's very clearly defined.

The other thing I would caution the committee is when you look at standards—and I just returned from the

American College of Cardiology meeting last week, and they were looking at standards—standards are something that have flux to them. When you establish a standard, as the process goes forward, you may have to change that standard and how you do it, because technology changes, and information changes. So the standards are good today, but there has to be a mechanism to change them appropriately and quickly.

Ms. Catherine Fife: Just one final question. When the Liberals passed the order in council last spring changing the definition around “self-referral,” I know that there were some clinics that immediately felt the impact of that decision, especially because of the technical fee. I know in Cambridge there was a number of clinics actually that considered closing almost immediately because already they were behind. The order in council without consultation, do you have some sense of what the full impact of that was?

Dr. Jim Swan: Well, I think there are two things. First of all, people were very fearful with the legislation. They didn’t know what impact it was going to have, and some people proceeded on expecting the legislation to go forward.

I can tell you I was the person who received the phone call from the ministry on the last day of June. I had many people very nervous calling me, but once we got that phone call, I believe things stabilized.

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The self-referral definition has not been implemented, and we’re looking at putting the standards in place, so I don’t think we know the answer to that. But one of the other things: We do have good data in the OHIP and we can tell what the level of services was. If you need that information, it can be gotten for you and you could look at what services were being done before the legislation and after. That data we can get for you, if you wish. I can provide it. We have a way of getting it for you.

Ms. Catherine Fife: Thanks very much.

Mr. Michael Prue: Is there any time?

The Chair (Mr. Kevin Daniel Flynn): Yes, there is, Michael. There’s about a minute and a half.

Mr. Michael Prue: Okay; perfect. You mentioned the figure of \$44 million and how the college had told the government how to save \$44 million. The government acknowledged that it was true and agreed that it would save the money, but has not implemented it. Did I get that correct?

Dr. Jim Swan: Yes. That’s exactly right.

Mr. Michael Prue: They know it’s going to save \$44 million—

Dr. Jim Swan: Well, at least \$44 million.

Mr. Michael Prue: And they’re not doing anything with it?

Dr. Jim Swan: What they did is they put it back to the Cardiac Care Network and it’s there, but we haven’t started on the recommendations. That’s what’s frustrating for us. We told everyone last summer, “Look, these are the regulations. Let’s get on with it.” We offered to help implement them ourselves. We said, “Yes, we’ll do it.

We’re experts. We know how to do it, and we’ll do it fairly. We have a good reputation for that.” But so far it’s at the Cardiac Care Network.

The other thing is, these standards can be developed for other parts of cardiac testing, and there are similar savings there. But the best thing you can do—if you have these standards in place, we get rid of inappropriate testing. We get rid of poor-quality labs. There’s more money there than the \$44 million, and we can take that money, pay down our deficit and then put the money back into the infrastructure, because that’s what we want. We don’t want patients dying on waiting lists. We don’t want poor-quality care.

We have a wonderful system in Ontario, and we want to preserve it. We really care about our system and we care about our patients.

Mr. Michael Prue: I think you said it brilliantly. Thank you.

The Chair (Mr. Kevin Daniel Flynn): Thank you very much. Thank you, Dr. Swan, for coming today.

Dr. Jim Swan: Just in closing, if anyone needs any information, I’ve left you my email and my cellphone. Please feel free to call me, and I’ll get it to you.

The Chair (Mr. Kevin Daniel Flynn): Thank you.

ONTARIO ASSOCIATION OF CAREER COLLEGES

The Chair (Mr. Kevin Daniel Flynn): If I can call forward now the Ontario Association of Career Colleges: John, if you’d like to come forward, and Mr. Kitchin. Thank you for joining us today. Just to let you know, on your left side are the government members. We’ve got Soo Wong, Steven Del Duca and Vic Dhillon. On your right-hand side are the members of the opposition party: Catherine Fife, Michael Prue, Monte McNaughton, Jane McKenna and Peter Shurman. You’re allowed up to 15 minutes for your presentation. If you leave a little time at the end for any questions, those questions will be coming from the Liberal Party to your left.

Mr. Paul Kitchin: Thank you.

The Chair (Mr. Kevin Daniel Flynn): The time is all yours. John, good to see you again.

Mr. John Nunziata: Thank you. Nice to be here. Paul has the floor.

Mr. Paul Kitchin: Thank you, John, and thank you, Mr. Chair and committee members, for giving us this opportunity to make a presentation today.

We made a written submission that we’ve brought for you and I want to touch on some of the highlights in that paper, but first of all I should introduce myself. My name is Paul Kitchin. I’m the executive director of the Ontario Association of Career Colleges, which represents post-secondary institutions in the province of Ontario that are registered under the Private Career Colleges Act, 2005, to be able to offer programs of study that have been approved through the Ministry of Training, Colleges and Universities.

Our paper gives you a background on the career college sector. For those of you who are not familiar with this sector, we talk about the current economic impact of the sector. We talk about some trends that we see that are going to impact the demand for post-secondary education in this province in the years to come. We've touched briefly on some financial implications of that and possible ways that the career college sector can help. Finally, we wanted to touch on a couple of issues where there are systemic issues, where programs and policies provide differential treatment to career college students that in fact can create barriers to access and hamper the ability of our sector to contribute and help.

What I want to start off with is to say what we're really talking about here today is a way to save taxpayer dollars, and I'll get into that.

The background piece, the career college sector: Career colleges started in Ontario 145 years ago. That's a full 100 years before we had a public community college system. Today, there are over 600 campuses operating in 70 communities across the province. We're training 67,000 students every year in 5,000 programs, and our career college sector employs about 12,000 staff people across the province.

I mentioned the 67,000 students. With a graduation rate of 80% or better, that would equate to about 50,000 graduates coming out of programs and ready for the workforce every year. With those kinds of stats, we felt it was important to make some sort of a statement about the economic impact of the sector. In 2012, a research firm called Higher Education Strategy Associates did a study of the career college sector, and I'm going to touch on a couple of the highlights that came out of that.

One of the first things they did was a comparison of the cost to the taxpayer per graduate from the community college system versus from the career college system. In that analysis, they took a look at operating grants; they took a look at student loan funding; they took a look at Second Career funding; they took a look at educational tax credits. At the end of the day, their numbers showed that the average cost to produce a graduate from the community college is roughly \$35,000, whereas the cost to produce a graduate from the career college system is about \$3,700. It's just over 10% of the cost, so as you can see, there's a huge cost saving there. They went on to rejig the numbers, to do a comparison on the cost per month per graduate as well. Once again, the comparison came out that career college costs were about 18% of community college costs.

If we take a look at that, very conservatively, with those kinds of numbers, I think we're lowballing it if we say that, per graduate, there's a savings of \$20,000 per grad when they make the choice that a career college is the best option for them in terms of taking their post-secondary training. Multiply that times the 50,000 grads who come out of the career college system every year, and at minimum the career college sector is saving the taxpayers a billion dollars. I want to stress that that probably is lowballing. It probably is a higher number, but we'll go with a billion dollars.

So that's huge, and I want you to keep that in mind as you're deliberating over the budget and over expenditures and that. Understand that there is a resource there that can help you tackle some of the hard decisions that need to be made.

We looked at some trends, and those trends are telling us very clearly that there is going to be increased demand on the post-secondary education system in this province over the years to come.

A few examples would be that we know that 70% of the jobs are going to require some level of post-secondary education, so there is a goal to get the credential attainment to 70%. We know that there's huge interest in bringing international students into Ontario institutions, because that brings some economic benefit to the province. We know that laid-off workers are going to continue to need re-skilling and upgrading of their skills to be able to get back into the workforce. We know that there are emerging sectors like the green sector, and areas like infrastructure renewal, where we're going to continue to need folks trained to be able to handle those kinds of jobs.

Of particular interest to me is the fact that there's a recognition that inclusivity of the groups of folks who have been marginalized in terms of the workforce—people like aboriginal people, persons with disabilities, newcomers to Canada—we're going to have to do a better job in this province of training those folks and getting them prepared for the workforce.

Finally, we know there's going to be increased demand for online learning for folks who are still employed and want to study in the evenings or on weekends or things like that.

All in all, the message is there's going to be a bigger job to do.

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It begs the question, how are we going to afford to do that? There are certainly financial implications, and again I would stress with you that the career college sector has the capacity to grow, to expand and help to meet that need and offset some of those ongoing costs. I think we need to take a look at that.

I know that in the recent white paper put out by the PC Party, they talked about a role for career colleges and talked about the ability to meet that increased demand. We certainly agree with that position.

However, there are, from time to time, some systemic issues that create some barriers for career college folks because they're treated in a differential manner, and that would absolutely hamper our ability to continue to help out economically with the well-being of the province. I'll give you two quick examples, and I'm hoping that this committee may be able to do something in those areas.

The first is around the Ontario Tuition Grant that was announced a little over a year ago. To our dismay, we learned that career college students would not be eligible to apply for that. What that really comes down to is, if I was at a career college, I wouldn't be able to apply. If I went to a community college, I could apply. I'm the same

person; I have the same needs. There's a disconnect there. In fact, if that then turns somebody to make a decision to go to their second- or third- or fourth-best choice of training because there's some dollars there, we don't believe that that makes an awful lot of sense.

We would certainly ask, in this round as discussions go on, if the Ontario Tuition Grant topic comes up, that a move be made to include career college students. We estimate that that could cost about \$2 million, maybe up to \$3 million. It's not a huge dollar amount, particularly when you take into account the millions of dollars that the government has spent over the last several months promoting this program on TV and radio to try to attract more people to take up the program.

The other comparison I would make is, the grant is about \$775—or that's roughly what it would be for career college folks. When you compare that against the \$20,000-per-graduate saving that I talked about earlier, to me, it makes an awful lot of sense.

The other issue where there's differential treatment is with the Second Career program right now. Under the current criteria, there's a \$10,000 cap on tuition that the program will recognize for career college programs, and there's no similar cap on the community college programs.

Interjection.

Mr. Paul Kitchin: Thank you. I just got the warning, one minute.

We've seen examples of that where it has, again, caused a student to make a decision that they were going to go to a career college and then found out there was a cap on the funding, so they couldn't get their first choice. They had to take a look at a second or third choice, and go where the funding was.

We think that's inequitable and, in fact, a little bit discriminatory against career college students. We would like to see either the cap completely removed from career colleges—I'm not sure that that's realistic—or at least have it raised.

We're suggesting \$14,000 rather than \$10,000. That fits in line with another criteria in the program that looks at \$14 per hour. We're saying a diploma program on the Ontario Qualifications Framework is usually geared for about 1,000 hours of instruction; \$14,000 would make sense. If that's not doable, then we think that we should level the playing field, and community college programs should be capped at \$10,000 as well for the program.

The last piece on that program is that the cap was put in place about three and a half years ago, and there has been no increase in it. We would think, at minimum, there should be a cost-of-living-index increase on the cap to keep pace.

That gives you a quick run-through of our paper. In summary, we think the career college sector has a lot to contribute to this province. We can help deal with the deficit situation right now. We can help to deal with the increased demand that is anticipated for post-secondary education. We need you to think about that, and we also need to have equitable policies in terms of our students and equitable treatment for our students.

I'll stop there and see if there are any questions.

The Chair (Mr. Kevin Daniel Flynn): That's great, Paul. Thank you. You've left about two and a half minutes. To the government. Soo?

Ms. Soo Wong: Thank you very much for your presentation. I just need to hear a little bit more about—you mentioned in your presentation that you have 67,000 students in your career colleges. Can you share with us the type of students we're talking about? Are they from Ontario? What are some of the demographics of your students?

Mr. Paul Kitchin: Yes. Primarily, the vast, vast majority are Ontario students. It's interesting; we get asked that, about who are our students, and there are probably five or six really good answers to that.

Because of the nature of the delivery, where we try to meet the needs of the students, there are things like programs offered in the morning or in the afternoon or the evening or on weekends. We try to fit the needs. We have a number of sole-support parents who will take training. They want to get back into the labour force. We do a fair amount of retraining of laid-off, unemployed workers. We have a number of community college or university graduates who have got a degree and they want to come back and get some skill training so that they can get into the labour force. So we've got those folks as well. It's a wide spectrum.

The main difference, I guess for us, is we have an older student. The average age would be in the late twenties: 28, 29 years old. There are some schools that do a fair amount of training with recent high school graduates, but by and large, we're adult trainers, adult retrainers.

Mr. John Nunziata: Ms. Wong, you would have seven colleges in your riding. At any point in time, if you'd like to visit and tour those colleges, we'd be more than happy to accommodate.

Ms. Soo Wong: I'm also very interested to know the success rates of your students or the graduates of your programs in terms of employability and meeting the skills gap that we constantly have been hearing about at the hearings.

Mr. Paul Kitchin: The graduation rate is about 80%. The graduate employment rate is about 84% at this point across the entire sector. There are a number of programs that have third party accreditation. Somebody mentioned the Law Society of Upper Canada in an earlier presentation. They have an accreditation program for programs like paralegal, and career colleges must go through that third party accreditation, so that folks coming out of those kinds of programs absolutely have the skills that the industry is looking for.

The other thing that career colleges do widespread is they involve employers in program advisory committees that help with the development of curriculum. They will meet every six to 12 months and review curriculum and make recommendations for changes that need to be made to the curriculum to make sure that we are meeting the needs of the labour force.

The Chair (Mr. Kevin Daniel Flynn): That's great. Thank you very much, Paul. Thank you for coming today. John, thank you, too.

Mr. John Nunziata: Thank you.

Mr. Paul Kitchin: Thank you.

YWCA TORONTO

The Chair (Mr. Kevin Daniel Flynn): Our next delegation today is a YWCA from Toronto. Sarah Blackstock?

Ms. Sarah Blackstock: Hi there.

The Chair (Mr. Kevin Daniel Flynn): Sarah, if you'd like to come forward. The Clerk will pick up your submissions. If you want to make yourself comfortable, you get 15 minutes, like everybody else. If there is any time left over at the end, those questions will come from the PC Party.

Ms. Sarah Blackstock: All right, thank you.

The Chair (Mr. Kevin Daniel Flynn): Thank you.

Ms. Sarah Blackstock: My name is Sarah Blackstock. I'm the director of advocacy and communications at YWCA Toronto.

The Chair (Mr. Kevin Daniel Flynn): Okay. Before we start, Sarah, maybe we can get you some quiet.

Ms. Sarah Blackstock: There's a lot to talk about; I understand.

The Chair (Mr. Kevin Daniel Flynn): Okay.

Ms. Sarah Blackstock: You guys do have a fantastic job. It must be incredible just listening to the amazing ideas and energy around this province.

The Chair (Mr. Kevin Daniel Flynn): That's the good part of it.

Ms. Sarah Blackstock: Yes. Well, you now have to make very difficult decisions, but—

The Chair (Mr. Kevin Daniel Flynn): There's another side to it.

Ms. Sarah Blackstock: It is interesting. So, I hope you will find my presentation interesting.

I'm the director of advocacy and communications at YWCA Toronto, and we are a member of the 25 in 5 Network for the reduction of poverty. The 25 in 5 Network is a multisectoral network of groups and individuals that work across Ontario to reduce poverty. We are urging the province to invest in fairness by making poverty reduction a priority in the 2013 budget.

There are two things that we really want to see happen with this very important budget. One, we want the 2013 budget to come as close as possible to meeting the target of reducing child poverty by 25%. You'll recall that was the target that was set in Ontario's first-ever Poverty Reduction Strategy. Secondly, we would like to see some momentum created towards the social assistance reform that I think there is a lot of interest in across parties.

1350

The 2009 Poverty Reduction Act marked a turning point in Ontario. The act passed unanimously, and all parties agreed to work together continuously to reduce poverty in Ontario. This strategy has received broad

support because there is growing recognition that investing in people today is good for all of us in the long term. As you all know, it leads to a healthier population, safer communities, and that results in health care savings and the social service costs go down as well. It also leads to a resilient, productive workforce where all hands are on deck to move Ontario forward. It means we create a fair society that we're all proud of, where everyone belongs and has an opportunity to contribute.

Since 2009, serious action to eradicate poverty has led to results. Our recent progress report demonstrated that between 2008 and 2010, because of a number of investments, child poverty was reduced by 6%, lifting 29,000 children and their families out of poverty. That said, we know that some of the recent scaling back of investments, such as the slowed implementation of the Ontario Child Benefit, threaten to undermine that progress.

With this 2013 budget—this is our last budget before the conclusion of the Poverty Reduction Strategy. We're calling on all parties to deliver on the promise to reduce child and family poverty by 25%. We think the 2013 budget should help Ontarians, and specifically low-income Ontarians, earn more and keep more, and it should seek to restore hope.

I'm going to highlight a few of our recommendations under those headings. Under the category of "earn more"—I'm sure you all were talking about the minimum wage as a result of yesterday's demonstration outside Queen's Park. The minimum wage has been frozen for the last three years. Of course, basic items such as housing and food have not been frozen. So we are calling for the minimum wage to be raised immediately to \$11.50.

We're also calling on the budget to implement the social assistance review commission's recommendation to increase the earning exemptions to \$200 a month before clawbacks begin. This will help low-income people move out of poverty. I want to stress that this should not be accompanied by the reduction or elimination of the Work-Related Benefit for people receiving ODSP. Our understanding is that's something that's under consideration. The Work-Related Benefit helps address specific barriers to the labour market that people with disabilities face. Given the government's current emphasis on helping people with disabilities get into the labour market, it makes no sense to eliminate this important budget.

Like I said, we also want to see low-income Ontarians be able to keep more. For people on social assistance, it's impossible to get ahead when the little you have is taken away. So what can you do? You can reform some of the social assistance rules. Right now, current rules require low-income Ontarians in need of assistance to totally impoverish themselves before they can receive help. Our experience working with low-income Ontarians and common sense tells us that this is a barrier to exiting poverty down the road. The next budget should increase the amount of assets that people are allowed to have to qualify for social assistance. It should be \$5,000 for singles and \$7,500 for couples.

Another important and simple change that could be made is regarding the child support rules. Right now, any child support that's received is fully deducted from social assistance income. The coming budget should change that rule and allow parents to keep 50% of their child support. This is what was recommended in Munir Sheikh's and Frances Lankin's report.

I would also stress that single parents should be given the autonomy to determine what is right for their families. They should decide whether or not they should pursue that support. You can rest assured that any parent will make the best decision that's in the best interest of their child. If it's worthwhile to pursue the support, she or he will.

We would also like to see incomes restored. As you'll all recall, the promise to increase the Ontario Child Benefit to \$1,310 by the year 2013 was delayed in last year's budget. This year's budget must honour that original commitment that was made in the Poverty Reduction Strategy.

We also would suggest that the Ontario Child Benefit should be indexed to inflation. Increasing the OCB in this budget is very important to reaching that 25% target.

Social assistance benefits: as you hear at a constituency level, they are dangerously low. We would like to see the 2013 budget increase the rates and make a down payment on the income adequacy. People need to have a reasonable standard of living. And this is something that was also recommended in the commission's report. Specifically, they recommend that the rate for singles on OW be increased by \$100. This should be accompanied by at least a cost-of-living increase for all people receiving social assistance.

Again, I'd like to caution that these increases should not be funded by eliminating the Special Diet Allowance. Changes have been made to that program. It is only available to people with specific illnesses. The elimination of that benefit will compromise severely the health of people with debilitating illnesses.

In conclusion, reducing poverty is not rocket science. I think that's why all parties agreed to the Poverty Reduction Act. Reducing poverty requires good policy and political leadership. At the moment, there's a lot of public cynicism about politics and the relevance of it to society. I think most of us here would agree that politics are anything but irrelevant. It's enormously important to building and maintaining our communities and society. Good policy changes lives, communities and economies. All of the parties have agreed to reduce poverty.

In 2014, the next five-year Poverty Reduction Strategy will be created. That's what the Poverty Reduction Act, that you all passed, committed to. If the targets for this Poverty Reduction Strategy are totally disregarded, then obviously low-income Ontarians will suffer. More than that; opportunities to support struggling economies will be lost and communities will continue to suffer the violence and desperation that's created by poverty. But I also think something else will happen: The meaning of the promise that all of your parties made to work together

to reduce poverty in Ontario will be diminished and the momentum that has been created over the last few years will be lost. Further poverty reduction strategies will lose their significance. Creating a poverty reduction strategy will become a necessary political exercise, but not one that anyone takes seriously. This Poverty Reduction Strategy is precedent-setting.

Please, do not let Ontario's poverty reduction work go the way that our federal representatives' promise to end child poverty has gone. Making good on this commitment would distinguish Ontario as the first jurisdiction in Canada to set a poverty reduction target and timeline, and deliver on the promise. And it would create tremendous momentum for further progress as the province rolls up its sleeves to engage in the important work of social assistance reform.

Delivering on the promise makes for good economic opportunity as well. It would lift more than 100,000 children and their families out of poverty, filling a new generation not only with hope but with opportunity.

Reducing poverty is also smart policy because every Ontarian free from poverty is better equipped to contribute to an economy, and this is an economy that really does need all hands on deck. So we urge the province to put fairness in the 2013 budget and invest in brighter futures for all.

The Chair (Mr. Kevin Daniel Flynn): Very good; thank you, Sarah. Your questions are coming from the PC Party, and there are about four minutes left.

Mr. Monte McNaughton: Great. Thank you very much for your presentation, Sarah. I just wanted to ask you a couple of quick questions.

I hear a lot, in my riding, from families—on a daily basis—quite frankly, about hydro bills and the costs of energy and how that's driving families into poverty. There was a report that came out within the last week showing that hydro bills for families are further going up \$38 per month within two years. Can you comment on that? You must hear in your community and in the city here about the damaging effect—the devastating effects—that hydro bills are having.

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Ms. Sarah Blackstock: Well, I'm not an expert on the regulation of hydro policy, but I will say that the consequence of the erosion of social assistance rates and of the minimum wage, meaning whether it's hydro bills or food bills or rent—people are struggling to make those ends meet.

Mr. Monte McNaughton: Right.

Ms. Sarah Blackstock: We would advocate that people are going to make good decisions for themselves when they have money in their pockets. Of course, we want to find ways to regulate those costs, but we also want to make sure that people have the income that they need.

This government eliminated something called the Community Start-Up and Maintenance Benefit. Previously, that benefit would have been used by families on social assistance to cover arrears. It's a particular benefit

that got cut when the consolidated homelessness prevention initiative was created. Those dollars have been passed down to the municipalities, but there was a \$42-million cut as a result of that.

We have to be thinking systemically about all of the different—as we look at social assistance reform, we can't be arbitrarily cutting programs, like the Community Start-Up and Maintenance Benefit or special diet, because people are so close to the edge, as you're hearing in your community.

Mr. Monte McNaughton: The second thing is the HST on home heating bills, as well. I hear a lot about that, especially coming through a cold winter. That's yet another policy that's taking money from the most vulnerable in society. I think, quite frankly, that it's putting more and more people into poverty—hydro bills, and HST on home heating bills.

Ms. Sarah Blackstock: I think there's a number of ways to look at it. If you have the income in your pocket to pay the tax, then it's not as devastating. I think that the province is in a situation where it does have to figure out where we're going to get the dollars to fund the public services that we all need.

That said, I think that we also have to protect vulnerable Ontarians. There may be taxes or there may be particular costs we want to exempt low-income people from. I do think that we need to be thoughtful about looking at who's impacted, but also, the province does need to have the income available to fund the programs that we need.

Mr. Monte McNaughton: Okay. Thank you very much.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Monte, and thank you, Sarah, for coming today.

Interjection.

The Chair (Mr. Kevin Daniel Flynn): Jane, did you have—oh, I'm sorry. I didn't realize that. You've got about a minute.

Mrs. Jane McKenna: I just wanted to say thank you very much. I was just thinking, when you were speaking, that in Greece they're rioting for programs because of their debt, and they are bankrupt. So unless you get your debt and deficit under control, you're unable to do what you can for the programs that you need and that people need.

There are 400,000 people on welfare. So, you know, very mindful of what you're saying, because there are 600,000 people unemployed. We spend \$1.8 million more an hour than we take in, and 20% of what we spend is borrowed money. It's our third-largest expenditure.

So, very mindful of what you're saying, because you do watch the people in Greece and how they are rioting for their programs. Because of the debt that they've incurred, they cannot pay for the programs that they have. So we have to be looking at every aspect that we can to figure out and to fix the economy.

Ms. Sarah Blackstock: If I may just quickly add, though: Since the mid-1990s, we've lost \$17 billion in tax revenue in Ontario. I don't think that's how we're

going to be able to pay down our debt, and I don't think that's how we're going to protect the public services that we need.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Sarah. Thank you for coming today.

NORTHWESTERN ONTARIO MUNICIPAL ASSOCIATION

The Chair (Mr. Kevin Daniel Flynn): Our next delegation is from the Northwestern Ontario Municipal Association. Ron, David and Charlie, if you'd come forward. Make yourselves comfortable. Fifteen minutes for the presentation, like everybody else is getting. You leave as much time as you like for questions, if any. If there is any time for questions, it will come from the New Democratic Party.

Mr. Ron Nelson: Thank you.

The Chair (Mr. Kevin Daniel Flynn): Having said that, the floor is all yours.

Ms. Catherine Fife: Hi. How are you?

Mr. Ron Nelson: Hi. I'm well.

Good afternoon. My name is Ron Nelson. I am the president of the Northwestern Ontario Municipal Association. To my left is Mayor David Canfield, the mayor of Kenora and the executive vice-president of the Northwestern Ontario Municipal Association.

NOMA represents the interests of 37 municipalities, from Kenora and Rainy River in the west to Hornepayne, and as far as Dubreuilville now, in the east. Our mission is to provide leadership and advocating regional interests in all orders of government and other organizations. We appreciate this opportunity to meet with you today.

Northwestern Ontario is on the cusp of a mining explosion, with 250 active projects in 2011 totalling \$500 million in expenditures. That represents nearly half of all the mining expenditures in Ontario last year. These opportunities are located across the northwest region, with the most significant being the Ring of Fire. These mining developments have the potential to be one of the biggest economic engines the entire province has seen for decades, and must be viewed through that lens by all ministries and ministers as well, moving forward.

A recent study that was done by Lakehead University focused on nine mature mines that are near development and highlights only a fraction of what is the potential in northwestern Ontario. The total value of unmined minerals and metals is \$135.4 billion. Direct, indirect and induced employment is 23,588 jobs.

What's in it for the province of Ontario? How about \$173.8 million in tax revenue per operating year, a total of \$298.8 million in tax revenue per operating year—pardon me, the first one was for the opening year. Your total tax revenue is \$5.75 billion.

This was a study that was done by the university through their business administration. It was not done by NOMA. These were outside, reliable sources that have put these figures together for you. It is imperative that any provincial involvement and investment be viewed in

the larger context as an investment that will benefit not only the region of northwestern Ontario, but rather the citizens of Ontario as a whole.

Infrastructure investments: We believe that northwestern Ontario needs to be supported in its bid to the development of a strong and diverse economy through the province taking leadership in planning, developing and owning the infrastructure necessary to support the Ring of Fire development, along with our other mines. Because of the numerous discoveries and mining companies involved, the Ring of Fire is a unique development in Ontario. As such, it requires a more planned public approach than what was occurring in the past and what we believe is currently under way.

There are three factors that should drive this development being managed for the public good rather than the private sector. Governments, not corporations, have the legal duty to consult and accommodate according to the decision of the Supreme Court of Canada. There are currently a multitude of owners and a multitude of individual mines that are likely to come on stream over the next 10 to 30 years, each with their own independent and unique need for transportation and energy. There are a number of First Nations communities whose traditional territory encompasses the Ring of Fire development area; these communities require road and electrical infrastructure to meet their economic and social needs.

NOMA recognizes that the construction of the necessary transportation and energy infrastructure will be an expensive proposition. However, as we have already identified, the provincial tax revenue from the Ring of Fire development over its expected life of 100-plus years will be beyond comprehension.

The return on Ontario's investment will be significant. With that being said, modern technology would allow for the province to recover its initial capital outlay in building the road and rail infrastructure through the use of an electric toll system that would charge back the cost per tonne per kilometre for the ore and minerals utilizing the rail and road system.

It is the government of Ontario's job to make this happen, not the private sector's. The auto industry has historically received billions in government investment to support its growth and economic development. The mining industry now needs similar support through infrastructure investments that will drive the economy for decades to come.

Regarding the Endangered Species Act regulation, we strongly support the transition measure for the forestry sector in EBR posting 011-7696, because it recognizes the need to provide certainty to the forest industry and the jobs it creates for our citizens and our communities.

1410

The regulation recognizes that Ontario's forest sector already provides for the needs of species at risk through the Crown Forest Sustainability Act, and that the forest sector is required to continuously update their management practices to be consistent with provincial recovery strategies development under the Endangered Species

Act. NOMA and a number of our other member communities have submitted letters of support to the EBR, and we look forward to the implementation of these changes as soon as possible.

Heads and beds payments: The provincial payment in lieu of taxes for universities, hospitals and correctional institutions, also known as the heads and beds payment, has been unchanged at \$75 per student and bed since 1987. These payments do not meet the actual costs of municipalities to provide the necessary services for these various institutions, thus placing an unfair tax burden on their property taxpayers, jeopardizing the ability of these municipalities to meet infrastructure demands and weakening their ability to act as economic engines.

Applying the Bank of Canada inflation calculator results to the \$75 value of 1987 dollars becomes \$130.60 in 2012 to have the same value to our communities. This is another form of downloading that has required individual property taxpayers to make up the difference for over the past 25 years.

NOMA calls on the province to increase the payment in lieu of taxes to more accurately represent the cost of providing service to these institutions.

Municipal infrastructure funding: NOMA understands that fiscal pressures on municipal and provincial governments make it challenging to create new infrastructure funding programs at this time. However, investment in roads and bridges as well as other critical municipal infrastructure such as water and waste water, stormwater, transit, public housing and all of the other services that municipalities deliver to our citizens are investments in our quality of life that support continued economic growth and development.

We greatly appreciate the announcement of the funding increase from \$60 million to \$90 million for the Municipal Infrastructure Strategy, including the support for asset management planning. We are grateful for the recognition of critical repair and replacement needs while we wait for the next phase of a joint federal-provincial infrastructure funding program. We encourage the province to continue to provide funding support for vital municipal infrastructure needs regardless of the development of the new federal programs.

One size does not fit all; we want to take this occasion to remind you that each region of the province has its own unique challenges and opportunities. It is important to recognize those differences as you undertake your MPP and ministerial duties. The closure of a Service Ontario office in downtown Toronto may require a citizen to travel a few blocks extra to find the service they require, whereas the closure of a Service Ontario office in Rainy River requires an extra hour or more to travel to obtain the same services. The provincial policy statement on land use planning has entirely different implications in Ajax as it does in Atikokan. The closure of a tourism centre in Fort Frances impacts the promotion of tourism activities in the entire district. The cost of doing business in rural and northern areas is different than it is in an urban setting. An MPAC reassessment process that

reduces industrial property tax by millions of dollars can bankrupt small municipalities in the north. Infrastructure funding programs must be flexible to the needs of municipalities with limited staff and financial resources.

As you consider the proposed expenditures of the upcoming budget, please remember that our communities have unique needs. One size does not fit all. We do have a solution to generate revenue; we just need all three levels of government—municipal, provincial and federal—as well as our First Nations partners to work together to get this moving. Thank you.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Ron. You've left about—

Mr. Ron Nelson: Before that, Mayor Canfield has a statement.

The Chair (Mr. Kevin Daniel Flynn): Oh, you've got more?

Mr. David Canfield: Just a couple things to add, going back to the Ring of Fire and the infrastructure needs there, it's about \$307 million to put the road infrastructure in. There are still arguments about who's paying for it and how it's going to go forward. The reality check is that if that was in the Golden Horseshoe, you wouldn't be arguing about it; it would have been done a long time ago. The fact of the matter is that the future of Ontario, the future of Canada, is in rural or northern Canada. The auto industry in the Golden Horseshoe is not going to be growing because they are moving, whether you believe it or not, and more of it is going to move. Hopefully we can sustain what there is, but the opportunities for Ontario and for Canada are in northern and rural Ontario, and that comes right from the president of the Chamber of Commerce of Canada.

The other thing I just wanted to touch really quickly on, when we talked about infrastructure and how one size doesn't fit all—this is an excerpt from the Crombie report. I happened to be going through my archives last week, and here was something that was said. I happen to be in one of the communities that had 18 bridges for a community of 15,000 people, and these are multi-million dollar bridges, not box culverts. One of the things that was put in the Crombie report:

"The subpanel recognizes that in certain sparsely populated areas in the province such as parts of northern Ontario and northeastern Ontario, it may be neither practical nor efficient to transfer responsibility for highways to local municipalities. In these areas the province should continue to play a role in the maintenance of the existing provincial highway system." You have to take it seriously. Look at that. I think everybody knows about Kenora's bridge situation and some of the other infrastructure situations in small communities in northern and northwestern Ontario, and I think this has to be looked at seriously.

The other one on endangered species, really quickly— as Mayor Ron said, it's already covered. One thing we're really good at in the province of Ontario is red tape and duplication. I happened to sit on the Minister's Council on Forest Sector Competitiveness. At that time, we were

the highest-cost jurisdiction in the world in the forest industry. We've come down slightly, but we're still right up there with the highest costs. The bottom line is, we have a great opportunity to rebuild that industry in Ontario, but if we're not competitive, the investments won't come here.

The Chair (Mr. Kevin Daniel Flynn): Very good. Thank you very much. You've left a little bit of time for questions: just over a minute. Michael or Catherine?

Mr. Michael Prue: Okay. In just over a minute, you quoted a figure there of \$307 million. Is that what you're looking for in this budget year, or is this a longer-term suggestion?

Mr. David Canfield: It's a longer-term. The whole point of the matter is, we're bickering over who's going to build the infrastructure in Ontario's future. If that future was close, like in the Golden Horseshoe, we wouldn't be bickering; it would already be done. This will be over a period of years. This won't be in the next budget. It will be over a period of years, but the fact of the matter is, that's where the revenues are. The province has to get on board and build that infrastructure.

Mr. Michael Prue: And is that \$307 million for highways or railways or both?

Mr. David Canfield: It's approximately—I believe it's around \$360 million to build the corridor that would go from the south and come out at Pickle Lake, because we also support the circle corridor, and there are a lot of reasons for that. There are a lot of First Nation communities that could benefit from this, and the reality check here is that it's going to be greener to put it through. The thing with the corridor is, if you're going to put in a rail system, it makes sense to bring the ore out. You still need the road corridor. Keep the corridors together. That resolves a lot of issues around caribou, around other things. So just keep the corridors together.

Mr. Ron Nelson: And the transmission.

Mr. David Canfield: And the transmission; all together.

Mr. Ron Nelson: All together.

Mr. David Canfield: One corridor.

Mr. Michael Prue: I think that's probably my whole time.

The Chair (Mr. Kevin Daniel Flynn): It is. You've got about 17 seconds left.

Mr. David Canfield: We can answer another one quickly.

The Chair (Mr. Kevin Daniel Flynn): We'll get down to the yes-or-no questions now, I think.

Thank you, gentlemen, for coming here today. Thanks for a great report.

Mr. Ron Nelson: Thank you.

ONTARIO REAL ESTATE ASSOCIATION

The Chair (Mr. Kevin Daniel Flynn): Our next delegation today is from the Ontario Real Estate Association, if you'd like to come forward. Make yourself comfortable; perhaps introduce your colleague. You get

15 minutes like everybody else. The questions this time, if there is time for questions, will come from the government side.

Mr. Johnmark Roberts: All right. Thank you.

The Chair (Mr. Kevin Daniel Flynn): The floor is yours.

Mr. Johnmark Roberts: Thank you. Good afternoon, everyone. My name is Johnmark Roberts. I am a realtor with B&B Associates Realty Ltd. here in Toronto and a member of the Ontario Real Estate Association's government relations committee. Joining me today is Matthew Thornton, OREA's assistant director of government relations. We would like to thank this committee for the opportunity to present our recommendations for the 2013 Ontario budget.

By way of background, the Ontario Real Estate Association is one of the province's largest trade associations, with over 55,000 member realtors in 41 real estate boards throughout the province. OREA was founded in 1922 to organize real estate activities and develop common goals across the province, including advocating for higher industry standards and promoting the value of property ownership.

We are pleased to note that two of our member boards presented to this committee in Windsor and Ottawa. These presentations demonstrate the importance that realtors assign to engagement with our elected members of provincial Parliament.

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Our presentation will focus on two realtor recommendations for the 2013 Ontario budget.

The first is one most members of this committee are familiar with, that of electronic signatures and electronic agreements of purchase and sale. Our member boards in Ottawa and Windsor discussed this issue in their presentation, so I'm not going to go into too much detail on our proposal. In addition, many of you have either met with OREA staff or participated in yesterday's second reading debate on MPP Todd Smith's Bill 28, the Electronic Commerce Amendment Act.

As you know, we're asking the province to remove the exclusion for agreements of purchase and sale from the Electronic Commerce Act. It is a relatively simple legislative amendment that will protect the use of modern technology during one of the most important parts of a real estate transaction. I am happy to report that we have received broad support from all three political parties on OREA's proposal. We recommend that the government include our proposed amendment in the 2013 Ontario budget.

Our second recommendation addresses the issue of the municipal land transfer tax. OREA has learned that some large urban mayors are lobbying the province to acquire new revenue-generating tools. One option being considered is that of a municipal land transfer tax. Our recommendation on this issue is clear: We urge the government of Ontario to refrain from granting land transfer tax powers to municipalities in the provincial budget. If additional revenue tools are to be considered moving

forward, OREA strongly recommends that the municipal land transfer tax be excluded. Our opposition to the tax is based on the fact that the municipal land transfer tax is unbalanced, unfair and economically irresponsible.

First, the tax is unbalanced. We believe that homeowners in Ontario already pay their fair share of taxes. As you know, every homebuyer in Ontario pays one land transfer tax to the province. The tax is paid at closing and cannot be added to a mortgage. Instead, land transfer tax comes out of the down payment a buyer has worked so hard to save or the equity a family has worked so hard to build. For the average resale home in Ontario, a homebuyer will pay about \$4,200 in provincial land transfer tax. A homebuyer in Toronto pays double the land transfer tax: one to the province and one to the city. As a result, someone buying an average-priced residential home in Toronto faces a tax bill of \$12,000 dollars, paid up front at closing and not financeable.

Not surprisingly, according to a recent Ipsos Reid poll, 70% of Torontonians support repealing the Toronto land transfer tax. If the tax were to spread outside of Toronto, Mississauga homebuyers will pay \$10,000 dollars on an average-priced home, homebuyers in Vaughan will pay \$17,200 and Oakville buyers will pay \$17,400.

It is not very hard to see why municipal politicians want the ability to levy a land transfer tax: heaping thousands more on to the tax bills of homeowners will certainly raise revenue. But homeowners already pay their fair share of taxes, most notably through residential property taxes.

Property taxes make up the majority of municipal budgets right across the province. In Toronto, residential property taxpayers contributed \$2.15 billion in 2011 to city coffers, amounting to roughly 20% of all city revenue. The average Toronto homeowner pays over \$2,500 annually in property taxes which go towards city services. Property taxes, provincial or municipal land transfer taxes are all paid by homeowners. We are here today to say Ontario homeowners already pay enough taxes.

Mr. Chair, Ontario realtors also oppose this tax because it is unfair. A municipal land transfer tax forces a small segment of taxpayers to fund municipal services enjoyed by everyone. It is fundamentally unfair.

Each year, a small percentage of Ontario homeowners will move for different reasons: a young family with a baby on the way who needs more space; aging seniors who need to change their lifestyle; or, heaven forbid, a family breakup. It is unfair, and wrong, to expect these people to shoulder so much burden in taxes for no additional services.

The final reason Ontario realtors oppose the spread of the municipal land transfer tax is because it is economically irresponsible. More specifically, the tax is bad for the housing market and it restricts the mobility of homeowners. A 2012 study by the C. D. Howe Institute found that the Toronto land transfer tax caused an annual 16% reduction in home sales relative to other municipalities in the GTA that do not charge a second land transfer tax.

When you consider how important Ontario's housing market is to the provincial economy, 16% fewer home sales is concerning. Last year, for example, the resale housing market in Ontario generated \$7.7 billion in consumer spending, creating 60,000 jobs.

Some have questioned the C.D. Howe's conclusions regarding the effects of the city land transfer tax, pointing out that Toronto's housing market has been strong over the last few years. To be clear, C.D. Howe's study was not disputing the strength of the market. Instead, the study compared Toronto's housing market to municipalities on the city's borders, like Vaughan, Pickering and Markham. This comparison revealed that Toronto's housing market, strong as it was, suffered relative to bordering municipalities thanks to the city land transfer tax. In fact, home sales were down by 3,500 units. As a result, Toronto's economy missed out on \$140 million in ancillary economic activity that comes from home sales.

The study also found that the tax has hit people who are buying homes at prices below median levels particularly hard. In fact, C.D. Howe found that the number of transactions, where the average sale price was below the median, fell by 25%, not 16%.

So what would a municipal land transfer tax do to the housing market in Mississauga, Hamilton or Windsor, where median home prices are significantly below that of Toronto? What would it do to homeowners? The answer is, the tax would hurt them both.

Finally, a municipal land transfer tax is bad for homeowner mobility, further evidence that it is economically irresponsible. For example, we are all tired of the traffic congestion that plagues Toronto and the entire region. Not only does it affect our quality of life, but the pollution generated by automobiles is bad for our health and our environment. Reducing the amount and length of commuting between work and home is a key part of solving this problem. That means helping people to live close to their jobs. The municipal land transfer tax does the opposite by creating an incentive to live outside the tax jurisdiction, farther from city jobs, where homebuyers don't have to pay the additional tax. For example, a recent Ipsos Reid poll found that 75% of people in Toronto and the 905 regions who are expecting to move are more likely to relocate outside of Toronto specifically because of the Toronto land transfer tax.

Ironically enough, a tax that some urban mayors are calling for to pay for transit and infrastructure ends up putting more pressure on transit and more pressure on municipal roads as homeowners decide to commute instead of move. The city of Toronto agrees that the municipal land transfer tax is a bad option for easing traffic congestion. In a recent study into potential new revenue tools to fund transit improvements, the city ranked the land transfer tax low in terms of reducing congestion, increasing intensification and transit use.

To conclude, we oppose the spread of the municipal land transfer tax because it is unbalanced, unfair and economically irresponsible. As such, we urge the government of Ontario to refrain from granting land transfer tax powers to municipalities in the Ontario budget.

Thank you very much, and I'd be happy to take any questions that you might have.

The Chair (Mr. Kevin Daniel Flynn): Great, thank you, Johnmark. It goes to the government's side, about four minutes and a little bit. Soo?

Ms. Soo Wong: Thank you very much for your presentation. I just want—because this issue of the transfer of the municipal tax to the real estate fees in the city of Toronto was raised by previous speakers. I just want to get some clarification, because our staff here has provided some background information for the committee. I want you to answer just “yes” or “no” so I can ask more questions.

According to this report to us—just to share with the committee—some of the factors that influence the city of Toronto real estate market are not just the price, the mortgage rules, the interest etc.—they do not see the municipal land transfer tax as the only indicator as reducing the real estate market. So I want you to clarify that because it's very clear that your organization opposes this land transfer tax. But according to the research that we've been given, it has not affected the sales of homes in the city of Toronto since its introduction in 2008.

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Mr. Johnmark Roberts: I'll speak to that. There has been a decrease in volume in regards to the number of units being sold. Prices are up. We still have buyers there. The issue is that the Toronto real estate market is kind of unique and we have, according to CMHC, a need of 20,000 new households every year in the marketplace. That's new households. As a result of that, you've got to house that. The condo marketplace, by and large, has been contributing 15,000 to 18,000 units and then other forms have been doing the other. We have a built-in demand, so we always have the buyers. The market is relatively strong because, by lack of volume, the prices are staying elevated.

Ms. Soo Wong: Can you share with us how—I can't speak for the city of Toronto when they passed this piece here. According to notes here, last year, the city of Toronto generated \$354 million because of the land transfer tax. So how would the city of Toronto or any other municipality, should they wish to have this kind of tax, cover for this type of revenue generated from this tax?

Mr. Johnmark Roberts: It's fine in a good marketplace. If you get a downturn in the marketplace, they can't rely on that amount of money all the time. We've had a relatively strong market, and it has stayed strong in the Toronto area. Other municipalities are totally different. If you look around Ontario, it varies considerably as to where the real estate market is. As I say, we have certain factors within the Toronto market that make it unique in regards to maintaining a certain level. We've stayed in a sellers' market, the prices have stayed up, and we're still moving relatively good, volume wise. But at the same point in time, we are seeing—a lot of it has been put down to the land transfer tax—decreases in the volume in Toronto specifically.

Ms. Soo Wong: Do I have time?

The Chair (Mr. Kevin Daniel Flynn): Yes. You've got about a minute left.

Ms. Soo Wong: Okay. According to the report that has been shared with us, the land transfer tax is considered a progressive tax. I want to hear your comments. I mean, no one wants to pay tax. There's a perception that tax is bad, but we have infrastructure demand and pressure; there's the health care issue. What would your organization see as another form of progressive tax?

Mr. Matthew Thornton: I'll take that one, Johnmark. I think there are a number of options that are being considered publicly. The Toronto board of trade, for example, came forward with a proposal. I'm not saying that we endorse any of those options that they put forth. What we are saying, though, is that of all the options that are on the table, the land transfer tax is the worst option for the reasons that Johnmark outlined in this presentation. That being said, we don't endorse any particular new form of revenue, but we recognize that there's a strong need for something to be done to address the transit issue and the traffic congestion issue here in the GTHA.

Ms. Soo Wong: Okay, thank you.

Mr. Johnmark Roberts: In that respect, our principles are that we know these taxes are coming. We know we need to support the infrastructure, but we would hope that anything that comes in will be fair and equitable across the board. This tax hits a small percentage of people. It hits people in the transitions—sometimes in making those transitions, either up and down in the real estate market, because of needs outside of their control. The bottom line is that a lot of people now—I know in my own clientele—aren't moving because of the cost.

Ms. Soo Wong: Thank you very much.

The Chair (Mr. Kevin Daniel Flynn): Thank you for coming today.

ONTARIO FEDERATION OF LABOUR

The Chair (Mr. Kevin Daniel Flynn): Our next delegation this afternoon is from the Ontario Federation of Labour. The agenda lists Sid Ryan as coming, but we're joined today by Irwin Nanda and Brynne Sinclair-Waters. If you guys would make yourselves comfortable, you've got 15 minutes, like everybody else. If there's any time left over at the end of the delegation, it will go to the Progressive Conservative Party. That being said, Irwin, the floor is all yours.

Mr. Irwin Nanda: I remember I did this last time and, for some reason, I was really loud. So if I get really loud, just let me know and I'll lower my voice. Do you remember that? I didn't realize the mike was that—and I'm naturally loud.

The Chair (Mr. Kevin Daniel Flynn): I think it was set at Sid level.

Mr. Irwin Nanda: Oh, then it must be okay.

The Ontario Federation of Labour, which represents over a million workers in Ontario, welcomes this opportunity to comment in advance of the 2013 Ontario

budget. This is a critical budget for the people of Ontario. The provincial government can either continue to implement a discredited austerity agenda or it can embrace a new path, one that preserves public services, helps create good jobs and builds, in the words of the Premier, a fair society.

The OFL lays out its austerity agenda in greater detail in the attached green paper, and you'll find what I'm speaking from in there. It's entitled *Toward a People's Budget* whereby we debunk many of the common myths supporting the public policy drive for austerity.

Specifically, we challenge the myth that the government can no longer afford to provide the same level of services in Ontario. In reality, Ontario's already at or near the bottom compared to other jurisdictions when it comes to per capita spending on a wide array of public programs and services.

As Nobel Prize-winning economist Paul Krugman says about the American deficit, "The deficit is a side effect of economic depression, and the first order of business should be to end the depression, which means, among other things, leaving the deficit alone for now." In other words, the deficit in Ontario was caused by the recession, not government overspending. Cuts to public spending and public services are not necessary and are not the path to economic recovery.

Consider also a recent Canadian Centre for Policy Alternatives, Ontario report, demonstrating that since the recession, the actual increase in accumulated deficit as a share of GDP has been moderate and is certainly manageable.

Our green paper proposes that as a province we must address increases in both income inequality and precarious work. Between 1981 and 2012, Ontario experienced the largest change in income inequality anywhere in Canada. In percentage terms, this came to 17.2%. At the same time, more Ontarians are working in precarious jobs. According to a report by the United Way and McMaster University, precarious work has increased by 50% in the GTA and Hamilton over the last 20 years.

Spurring economic growth and creating good jobs is the preferred budgetary approach for addressing income inequality and putting Ontario back on the right economic and fiscal path. The province must pursue a bold strategy that proactively supports key sectors in the Ontario economy that foster innovation, invest in sustainable products and practices and create good jobs. On this issue, the Jobs and Prosperity Council has offered some positive recommendations, including working with key stakeholders to strengthen the manufacturing sector in Ontario through research and training programs. Efforts to encourage local procurement should also be explored, particularly as part of the initiatives to rebuild Ontario's aging infrastructure.

Expanding the conversation: While these are some of the Ontario Federation of Labour's ideas, we respect that we do not have a monopoly on good ideas, so we are doing what we believe the government should have done. We've created a people's budget consultation. To date,

we have travelled to seven cities in Ontario—Brampton, Ottawa, Sudbury, Thunder Bay, Kitchener-Waterloo, London and Toronto—with consultations in Hamilton and Windsor to take place next week. When the process is over, we expect to have heard oral presentations from over 100 organizations from across the province. Each event has also been attended by an average of 50 community members who are also given the opportunity to ask questions and contribute their ideas. We have also solicited and received written and online submissions from Ontarians on our website.

By contrast, this is the second year in a row that a thorough process for pre-budget hearings has not been observed. Last year, no pre-budget hearings took place. This was considered an exceptional circumstance, but the consultation process has been truncated once again this year.

This year, consultation has only taken place in four cities—Windsor, Timmins, Ottawa and Toronto—compared to six cities in 2011. The timeline for preparing submissions was also short. The consultations were announced on March 5 and Ontarians were given three days to apply to make an oral presentation. Moreover, written submissions had to be made by March 22, giving individuals and organizations only a short time frame for preparing submissions. An online form for making submissions was available, but this avenue for providing feedback could have been better promoted if the government truly wanted to facilitate a genuine participatory consultation with Ontarians.

We are concerned that the government is moving away from processes that allow for meaningful public participation in the budget process. Consultation with the public should be a top priority. Meaningful engagement with Ontarians will help to facilitate public policy that reflects the public interest. We, therefore, strongly recommend that the government extend its consultation process to allow more time for citizen input—at least by telephone and via the web.

What are we hearing? Through our consultations so far, Ontarians have brought forward an impressive array of ideas, shared stories on the impact of the austerity agenda and proposed thoughtful recommendations for moving forward in a new direction. We have heard about conditions in Ottawa schools that create an unacceptable learning environment, financial barriers to healthy eating for low-income people receiving social assistance in northern Ontario and an unprecedented number of children who spent Christmas Eve in a shelter in Kitchener.

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While we will be sharing more of these stories, along with our recommendations, in a forthcoming white paper, we want to briefly highlight some of the key discussion points. Throughout the province and in feedback we have received online, the priority issues for Ontarians are job creation, poverty alleviation and the need to create a fair society. Four specific recommendations have come up regularly in all our consultations.

Increase the minimum wage: Minimum wage workers today earn \$10.25 an hour and are living 19% below the

poverty line. A minimum wage benchmark at 10% above the poverty line would be \$14 an hour. The minimum wage should also be updated every year with the cost of living. In Canada, three provinces or territories—Alberta, Nova Scotia and the Yukon—already adjust the minimum wage each year according to the consumer price index.

Invest in infrastructure: Our schools, public transit systems and water infrastructure are badly in need of updating and investment. Beyond being a necessity, these investments create jobs, improve the environment and health of our cities and towns and contribute to economic growth. It is estimated that traffic congestion costs the greater Toronto and Hamilton area \$7 billion a year in lost productivity.

Support young Ontarians: The need for good jobs is particularly urgent for young Ontarians. At the end of 2012, the unemployment rate in Ontario was 7.8%, while for youth it was 16.9%. Unfortunately, unpaid internships have become commonplace, and when young people do find work, it's more likely to be temporary and short-term. In addition, the cost of tuition at Ontario universities is among the highest in Canada, and student debt weighs young people down as they come into the labour market. It's time to take seriously students' demands for a real reduction in tuition fees by 30% over three years and invest in programs that will help young people find meaningful employment.

Fair taxation: Years of tax cuts have disproportionately benefited the wealthiest citizens and corporations. We have not seen the mythical trickle-down effect in either economic growth or jobs. It's time to listen to those calling for a fair taxation system, which would include rolling the corporate tax rate back to 14%—Ontario rates would still be lower than in all US jurisdictions—increasing taxes on those making more than \$250,000 per year and working harder to collect the more than \$2 billion in unpaid taxes.

In conclusion, we point to the growing body of evidence and feedback from Ontarians that austerity is not working. In the United Kingdom, austerity measures are leading to an unprecedented triple-dip recession. In Europe, where youth unemployment has reached over 25% in 13 countries, austerity has created a lost generation. Even the International Monetary Fund has acknowledged that the negative impact of austerity is much greater than anticipated. In late 2012, the acknowledgement in the United States that spending cuts were not what their ailing economy needed demonstrated that some lessons had been learned from the European experience.

In Ontario, it's time for a budget that rejects the self-defeating approach and builds a fair society, creates good jobs and grows our economy. Ontario has the fiscal capacity to do this, and it's the only way back to economic growth. As we learned in the 1930s, we cannot cut our way to growth. It's time for a budget that puts people first. We look forward to sharing our more detailed white paper with the government in early April.

The Chair (Mr. Kevin Daniel Flynn): That's great. Thank you, Irwin. You've left about four minutes for questions, and those questions go to Peter Shurman.

Mr. Peter Shurman: Irwin, good to see you again. We've sat opposite each other a couple of times. There are many things that we actually agree on, and there are a lot of things we will disagree on. In four minutes, we can't begin to explore, but I can tell you that my party also looks at jobs and a fair society and poverty reduction as priorities. I think what we disagree on is the way that we get there.

For example, in the last couple of minutes of your presentation, you talked about the fact that corporate tax rates should go back up to 14%, because that would still make us a lower-taxation jurisdiction than US jurisdictions—generally; most US jurisdictions. Meanwhile, I would love you to react—because I think you represent some of these workers—to the fact that we just heard that we're losing the Camaro production line out in Oshawa to Michigan, which is a right-to-work state, because General Motors thinks they can produce Camaros just as well as Ontarians can, but it's going to cost them less. So this is an issue of competition with one of those jurisdictions you're talking about.

We feel, in our party, that we should be proceeding along the path that was originally charted by the government, which was to go to 10% and make us equal with other Canadian jurisdictions, not better than. Please comment.

Mr. Irwin Nanda: Sure. First of all, in terms of the plant moving, it was already agreed to move before Michigan became a right-to-work state, so I don't think it had anything to do with that. So we want to correct that.

I think the other thing is, the bank governor was already clear. He said there's half a trillion dollars that has been taken out of taxpayers' pockets over the last four years with the corporate tax cut. They're sitting on a half a trillion dollars and not reinvesting it.

If we started reinvesting it in Ontario—we have the money to do it. We will have to get these businesses to take that half a trillion dollars and reinvest it in Ontario. We will be competitive and we are competitive.

Mr. Peter Shurman: Well, let's talk a little bit about taxpayers' pockets. Our party and, very particularly, I put forward a bill that would mandate a legislated wage freeze for two years to get us back on a level playing field. I heard your organization and Brother Ryan for many years talk about the level playing field when maybe it was imbalanced and in disfavour to unions. Now people would argue, and I argue, that there is an imbalanced playing field, and it's in your favour.

What do you have to say about that? Because the bottom line is, we think that taxpayers in Ontario who don't have, for example, defined benefit pension plans or indeed any pension plans, and who are hard pressed to pay, and who are beset, as you are, with unemployment to the tune of 500,000 or 600,000 of our fellow Ontarians—we're paying the shot for this, and you people have become the new elite. I said that to Smokey Thomas this morning. Why don't you react to it?

Mr. Irwin Nanda: Well, I'll disagree that we're the new elite. I think—

Mr. Peter Shurman: But you are.

Mr. Irwin Nanda: No. I guess the bigger question is, more people should have pensions, and I think what we have to do is take a look at: Where did our tax dollars go? We're talking about almost \$17 billion in corporate tax cuts. That's what we're talking about, what the deficit of the government is right now. If we were to reintroduce that, there wouldn't be this problem.

You have to remember, when you invest in the community, in social programs, that only helps the economy because it gives jobs. If there aren't half-decent paying jobs, then there will be nobody there to buy the manufactured product that your government so willingly wants to do and that your party wants to do as well.

Mr. Peter Shurman: Oh, would that it were my government. One of these days, it will be. But the bottom line is, we had a discussion this morning that used the word "austerity" and used the word "efficiency." I think that both of those words have to have some adjustment required.

I believe that there's enough money coming into the Ontario government coffers at this point to do many of the things, if not most of the things, that people like yourself are coming before this committee and saying they should do. I think that the money is misspent; I think that it has been misspent for the last nine and a half years.

That being the case, why can't we have a government that properly addresses the exigencies of the day, rather than having people come forward, whether they represent union labour or the hospital sector or the municipal sector—anybody else—and deal with it by efficiencies rather than talking about austerity? We haven't had austerity because we've got a government that spends like a drunken sailor. You can react to that one, too.

The Chair (Mr. Kevin Daniel Flynn): It'll have to be a very short reaction.

Mr. Irwin Nanda: Well, again, I'm not going to talk about what the government's doing. It's clearly—

Mr. Peter Shurman: It's my job.

Mr. Irwin Nanda: Yes, I know. It's our opinion that it's the corporate tax cuts. It's not the workers or the social programs that have caused the deficit; it's the corporate tax cuts that have caused it, and it's about time we reinvest in Ontario.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Irwin. Thank you both for coming today. Thank you for your presentation.

ONTARIO UNDERGRADUATE STUDENT ALLIANCE

The Chair (Mr. Kevin Daniel Flynn): Our next presenters today are the Ontario Undergraduate Student Alliance. Rylan, if you'd like to come forward and introduce you—

Ms. Isabelle Duchaine: Isabelle.

The Chair (Mr. Kevin Daniel Flynn): Isabelle, come on forward. Make yourselves comfortable. Once you're

comfortable, you get 15 minutes like everybody else. If there are questions, those questions will come from the NDP. It's all yours.

Mr. Rylan Kinnon: Well, first of all, we'd like to thank the committee members for providing OUSA with the opportunity to present to you today. OUSA, the Ontario Undergraduate Student Alliance, represents over 155,000 undergraduate students at nine student associations at eight universities across Ontario.

I'm Rylan. I'm the executive director of the Ontario Undergraduate Student Alliance.

Ms. Isabelle Duchaine: I'm Isabelle. I'm the academic affairs commissioner of the Alma Mater Society of Queen's University, a fourth-year history student and a steering committee of OUSA member.

Mr. Rylan Kinnon: Post-secondary has been, and will continue to be, crucial to Ontario's economic success. This is why students believe that Ontario's 2013 budget must make investments to increase the affordability and accessibility of Ontario's post-secondary system, and invest in supports to help students succeed during their time in post-secondary and upon graduation. To achieve these aims, Ontario's budget should prioritize a more affordable tuition framework for students, families and the government; investments to support students' mental health; measures to address rising youth unemployment; and opportunities to improve student mobility.

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When we last presented to the Standing Committee on Finance and Economic Affairs in June 2012, we made a number of recommendations, among them, the need for a conversation on transforming our post-secondary system. We were pleased when that discussion began last summer. The discussion centred around a number of key topics, including improving teaching quality, improving student mobility and improving productivity, amongst other issues. Students appreciated the need for these conversations to take place, as we have seen post-secondary costs for students increase significantly while quality has remained stagnant or declined.

Ms. Isabelle Duchaine: It is within this context of increasing cost and declining quality that students evaluated Ontario's tuition policy and looked at the implications for students and their families. The current framework allows for 5% increases, and as it comes as no surprise that tuition has increased the burden on students and families of financing a post-secondary education, costs to governments are also increasing. For students and families, increasing tuition costs have had significant impacts. Tuition has increased drastically above the increases in median family income. From 2001 to 2010, tuition increased by 28.1% in constant dollars, while median family income in Ontario only increased by 8.56%.

As tuition has increased, low-income university participation has remained stagnant, while high-income university participation has almost doubled, despite generous government investments in financial assistance.

In 2009, average Ontario undergraduate debt was \$26,700, with 64% of students reporting debt. Remember that this was in 2009, and since then we've had three years of consecutive 5% increases.

To meet rising tuition costs, students' in-study employment has increased, which is concerning as this has been linked to decreased academic performance. Studies demonstrate that up to 64% of undergraduate students are working during their studies, with many students working an average of 18 hours per week.

Mr. Rylan Kinnon: These impacts on students and their families are concerning and should in and of themselves be a cause for action and a cause to create a more affordable tuition framework. But also concerning is the cost to government of tuition increases, due to increases and cost to provide financial assistance, particularly non-repayable financial assistance. Non-repayable financial assistance is critical to ensure that all students can access a post-secondary education, but students believe that the cost to provide this financial assistance should not increase solely because tuition is increasing so significantly.

There are two programs that will see significant cost growth associated with an extension of the existing 5% framework. The first is the Ontario Student Opportunity Grant, which caps student debt at \$7,300 per academic year. If tuition is allowed to increase by 5% annually, and the current increases in the proportion of students accessing OSOG continue, we've projected that OSOG spending could increase by as much as \$180 million by fiscal 2017-18.

The other program that will see cost increases associated with tuition increases is the Ontario Tuition Grant. As the government has committed to ensuring that the Ontario Tuition Grant increases along with tuition, it's very clear that this will increase in cost as tuition costs increase. OUSA's projected that spending on the OTG will increase by \$80.5 million by fiscal 2017-18 if the existing framework is allowed to continue. So we will see \$260 million in additional annual spending on student financial assistance solely because of a framework that allows 5% increases.

Thus, we've recommended that tuition should be frozen for one year, and in any future year, tuition should not increase by more than inflation as measured by Ontario's consumer price index. By doing this, the government can address students' concerns about affordability and address a significant source of future cost growth.

If Ontario is to balance its budget by 2017-18, we should recognize the benefits of more affordable tuition for students and for the government.

Ms. Isabelle Duchaine: As a student at Queen's, I've heard increased dialogue on campus surrounding mental health. Our second focus is based on a concern that there is an increased demand for mental health support on campus that our universities are struggling to meet.

Students are particularly vulnerable to mental illness for a number of reasons. Firstly, the typical age of onset

for many disorders is between the ages of 18 and 24, meaning individuals will often have their first encounter with mental illness while attending a post-secondary institution. Secondly, for many students, college or university is their first experience living away from home and their established social support networks. Thirdly, post-secondary institutions are generally demanding, competitive, high-stress environments which can trigger anxiety and depression-related illnesses, especially when combined with the preceding two factors. Furthermore, due to increased outreach at the primary and secondary school level, Ontario has improved access to post-secondary education for students with mental illness, increasing their participation rates and thus increasing the need for mental health support during their studies. This achievement in itself is exceptionally noteworthy, but the next step is to ensure that these students are supported throughout their post-secondary studies.

With increasing use, it is no surprise that university counselling centres have also experienced increased wait times. Survey results demonstrate that a significant number of students wait in excess of a month to receive access to mental health services. Depending on the time of year and subsequent demand, students can be left waiting further months for a follow-up appointment. This finding identifies a significant resource shortage in providing counselling to students when they need it most.

Ensuring mental health support to post-secondary students is crucial from an equity and access perspective but it also makes sense from an economic perspective, as funding to improve student mental health has a substantial return on investment. Early interventions aimed at post-secondary students can lessen the future need for health care, with every \$1 spent on early health care treatment saving \$30 in terms of lost productivity and social costs.

As Ontario charts a path forward, small investments now that achieve both a social good and a fiscal efficiency are particularly wise choices. This is why students have recommended that the government should provide funding to hire two additional mental health counsellors at every post-secondary institution in Ontario. The estimated cost to government is \$8.4 million per year.

Mr. Rylan Kinnon: The next topic we'd like to discuss today with the committee is student employment and, more specifically, student unemployment.

Student employment is a particularly important discussion to be having when considering Ontario's budget and our economic situation more broadly. The government invests in post-secondary education, recognizing that there is a significant public benefit to having well-educated citizens who are able to contribute to moving Ontario's society and economy forward. Unfortunately, employment opportunities for students in Ontario are currently lagging. This is why students are recommending that the government develop and invest in a youth employment strategy.

First, as Ontario is coming out of the second-worst summer on record for student employment, this strategy

should address the need for a higher quantity and a higher quality of summer employment opportunities for students. Students use summer employment to cover their financial costs associated with their post-secondary education as well as to get experience that helps them get a job upon graduation.

This strategy should also address the need to provide students with higher quality in study and employment opportunities that have fewer negative effects on their academic performance. It also should address the need to expand opportunities for experiential learning. In particular, it should address the shortage of co-op positions available for students. Finally, it should address the need to encourage employers to hire recent graduates and invest in training them.

By investing in a strategy that recognizes the needs in these areas, not only are we recognizing the value of building on the province's existing investment in post-secondary students, but we also will help to move our economy forward.

Ms. Isabelle Duchaine: The last thing we're here to discuss today is credit transfer, which is the ability to move between one institution and another.

Students have long waited for improvements in credit transfer. At a time when the government is looking to improve the efficiency and productivity of our post-secondary system, students believe improving credit transfer is one of the best places to start. Our recommendations focus on improving credit transfer at a rate that has no cost to government and can significantly increase student mobility within our province.

Poor credit transfer is costly to students and the government. Students have to pay again for the same learning to take place, and so must the government, as it funds university on a per-course basis. Further, if a student takes longer to graduate because of repeating courses, the student takes longer to enter the labour market, and the government cost to provide financial assistance to that student also increases.

We recommend that the government should require first- and second-year university credits to be transferable system-wide. This is possible, given that all of Ontario's universities are part of a common quality assurance framework.

Furthermore, we recommend that the government should mandate that all per-course minimum grade requirements be set at the passing grade level. This would end the practice of taking credits at one institution, passing them at that institution, then failing upon being accepted to another institution, and having them not transfer back.

Mr. Rylan Kinnon: We look forward to working with the government to ensure that in 2013, Ontario provides better support to our students to help them excel while in university and upon graduation, while also addressing the need to rein in costs and spur economic growth.

There's additional information in the budget submission that you have in front of you, Unlocking Student Potential. And of course, we're happy to answer any questions the committee has.

The Chair (Mr. Kevin Daniel Flynn): Wonderful. The questions this time go to the NDP. You get between three and four minutes.

Ms. Catherine Fife: Thank you very much, and thanks for the presentation. Just in the last ask, around credit transfers, can you help us better understand what the resistance is? What has been the traditional resistance to allowing credit transfers in the province of Ontario?

Ms. Isabelle Duchaine: I would say that some of that results in a faulty perception of quality differentials between other academic institutions, so one university may be reluctant to say that their quality of education is the same as another one. However, it's important to note that there are no metrics of a certain quality throughout any institution in Ontario.

1500

Ms. Catherine Fife: Okay. I just want to thank you for bringing forward the mental health piece. It's a growing and emerging issue, and I'm thankful that at least people are talking about it across university campuses across the province. Michael?

Mr. Michael Prue: Yes. Just on the first issue again, is this anything to do with the Maclean's ranking of universities? Often when I read that I wonder whether the reality of those rankings bears any semblance to the truth.

Mr. Rylan Kinnon: I think what we find interesting on credit transfer is every post-secondary institution in Ontario is part of the same quality assurance framework. Every institution in Ontario has recognized that undergraduate programming at any institution in Ontario meets a certain quality standard. Again, we do think that perceived quality is getting in the way of improvements on credit transfer, but as Isabelle mentioned previously, we don't have any good metric to say that one institution is better than another; we just have perceptions that one institution is better than another.

Mr. Michael Prue: You're the first student group that hasn't come right out and said that the recent government initiative to reduce tuition by 30% that affects only a limited number of students should be changed to make a 17% reduction across the board, fair to all students. You haven't said that today and I'm wondering, is that your position? Do you agree with that, disagree with it? All the other student groups have said that.

Mr. Rylan Kinnon: I think our position is that we appreciate any new investment in non-repayable financial assistance. We know that tuition is a barrier for a number of students. We know that students have differing ability to pay for tuition, so our organization's position on this has been that a degree of targeting financial assistance probably does make some sense. We know that certain underrepresented groups have significant financial difficulty accessing post-secondary education, so providing an increased reduction for those students may make more sense.

With that said, we do believe that the OTG can be expanded, and we've worked with the government to expand the eligibility requirements. One of the initial recommendations we made to the government was that

students with disabilities should have six years of OTG eligibility, recognizing that it often takes them a little bit longer to complete their degrees. We were happy when the government took on that recommendation, and students with disabilities now have six years of eligibility. With that said, we are still working on and pushing the government to expand eligibility to other groups that we know are underrepresented in post-secondary education in Ontario.

Mr. Michael Prue: Thank you very much.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Michael, and thank you, guys. Thanks for coming. Great presentation.

Mr. Rylan Kinnon: Thank you very much for having us.

Ms. Isabelle Duchaine: Thank you.

ASSOCIATION OF MUNICIPALITIES OF ONTARIO

The Chair (Mr. Kevin Daniel Flynn): Our next delegation comes from AMO, a familiar face. Russ, if you'd like to come forward. Welcome to our committee. Make yourself comfortable. You have 15 minutes like everybody else. If you leave a little bit of time at the end, the questions will come from the government side.

Mr. Russ Powers: Thank you, Mr. Chair, and members of the committee. It's indeed my pleasure here to represent the 444 municipalities in the province of Ontario that provide municipal governance.

The next chapter has to be rooted in the ongoing economic challenges of getting to a balanced budget. We know the fiscal room of the province is limited. Investments will be needed to help drive jobs and the economy. Municipal governments get this. We see what happens when industry closes or reduces its production or cuts shifts, but we also know that when people work together things can change. We saw this with the 2008 agreement to upload the cost of social assistance benefits and court security costs over 10 years. It is vitally important to us. The property tax base is not the right tax to fund social programs; it never was and it never will be. We continue to applaud the upload agreement on an annual basis. We need to see its continued protection, without any slippage. The Premier has already committed to this.

We must also remember that significant costs of other social programs still remain on the property tax base, costs that should not be there—social housing, child care, long-term care and public health being the most significant. Those upload savings are not there to be eaten up by more provincial programs. A long list of ancillary policies and programs—new and old—service growth pressures, higher needs and inflation hit our bottom line and eat away at these savings. At the same time, we are struggling with massive infrastructure challenges.

I offer four themes today. First, municipalities are not all the same. Even in communities that are referred to as rural, they are not identical. The same goes for northern and urban communities. We have communities that have

been prosperous and are facing what we hope are temporary challenges, where a resource industry will rebound and new resource opportunities can be realized. We have communities that, unfortunately, given history and circumstances of geography and other factors, will require a much different kind of help. We have growing municipalities with different challenges still. Narrowing the gap between the relatively fiscally healthier and poorer communities must remain a constant and unambiguous aim.

The Ontario Municipal Partnership Fund is the main transfer equalization program. It helps many small rural and northern municipalities fund base services to Ontarians in those communities. They have a very limited assessment base and residents with low disposable household incomes. Helping those with greater need should be embedded in the OMPF grant formula; it is this very same group of municipalities that bore a \$25-million reduction this year and will face a further \$50-million cut over the next two years. This seems counterintuitive and even more so when those rural and northern municipalities with OPP servicing must now pay an 8.55% wage increase starting in 2014.

In addition, we are told that reconciliation will cease from 2011 onwards. Since 2005, reconciliation recognizes the difference between the projected and the actual municipal costs for social programs and policing costs. This year, 71% of the municipal Ontario Works benefit costs are still on the property tax bill, so if there are higher caseloads, it will be left to these property taxpayers to foot that bill too. This is occurring in communities that are already having economic hardships.

So, we have to ask the question, is 2014 really the best time to make another \$25-million cut to the OMPF? Does it make sense to cut funding for equalization, northern and rural communities and policing even further? This is coming at a terrible time for many Ontarians. Do we want to see property taxes rise and rise quickly? The impacts of going forward with the next \$25-million reduction could be more costly to the province—not to mention citizens—than the cut itself, so we say let's take the time to get the OMPF transition right and, in the meantime, restore reconciliation. Let's find a formula that is sound and which can deal with volatility.

Our second theme is infrastructure. Municipalities own 67% of all the infrastructure in this province. The infrastructure challenge is on top of all the other services we have to provide. We have to do this and more while collecting nine cents of every household tax dollar. While we need to have a much bigger discussion about how municipalities can achieve fiscal sustainability, it's safe to conclude that the municipal share should no longer be counted using the obsolete penny.

Building on some of my previous comments, different responses and tools are required to deal with the diversity of our challenges. AMO is heartened by the discussions in a variety of forums on how to pay for the urban transportation infrastructure needs of the GTHA and elsewhere. A plan to move people and goods through

urban Ontario will require vision, boldness and long-term commitments. No one can hide from it because to do so means even more lost productivity. Frankly, gridlock can no longer afford the start and stop of funding commitments of successive governments.

If there is a will to tap new sources of revenue to address congestion, then surely there is a will to use existing revenue tools to get the ball rolling. Even modest changes to the Development Charges Act would be a good place to start fixing the funding challenge. The range of tools being considered in urban Ontario, where the tax base is broader and the economy is stronger, cannot be transplanted to rural or small-town Ontario, including the north.

AMO and the province worked on a roads and bridges report in 2012. Its purpose was to do work that would help design a future program. We know the work was solid. What we now need is an envelope of funds to help deliver it. Moving agricultural products and extracted resources to market is part of the economic backbone of Ontario. It too cannot be left out of the equation. A successful solution to the infrastructure financing challenge is one that responds to this diversity.

1510

Achieving greater efficiency and effectiveness in the delivery of public service is our third theme. Earlier this week, the government introduced legislation to improve the municipal collection of Provincial Offences Act fines. It will put a significant dent in the total of unpaid fines that has existed for many years. We are pleased that all three provincial parties have voiced their support for these changes, and we look forward to speedy passage. It is also an example of mutual problem-solving.

Of all the services a municipality provides, none is more expensive than policing. Municipalities spend in excess of \$3.5 billion annually on a wide array of policing activities that has grown well beyond the core function of law enforcement. Sixteen years ago, the total cost was \$1.5 billion. This growth in cost is unsustainable. It hits your budget and it hits ours.

It is time to rethink how we deliver policing. What alternatives exist regarding core and non-core policing functions? What efficiencies can be found in the operations of the Ontario Provincial Police? AMO remains committed to working with the government and others on these issues. However, we cannot afford to wait long for solutions.

Accountability and transparency is the final theme. All municipalities, large and small, across Ontario are committed to changes to interest arbitration. Each MPP received our information about the changes that will bring transparency and accountability to arbitrators. A copy is appended to this presentation so I'm not going to go over the changes in detail, but I do want to go on the record that none of the proposals tabled in the House or in the government's draft bill, the Protecting Public Services Act, go far enough. In fact, we are concerned that these attempts could actually make the arbitration environment more challenging.

What we are interested in is a system that is fair, has balance for both employers and employees, and holds arbitrators to account for their decisions. Their interest arbitration decisions materially affect the fiscal situation of municipal governments and their taxpayers. What's wrong with accountability and transparency? What is wrong with giving some priority to local circumstances?

Let us remember that the Ontario municipal property taxpayers still bear the highest burden of any taxpayer in any province or territory. Property tax dollars in Ontario deliver more services than in any other Canadian province. This is a factor when industry and commerce scout locations.

In conclusion, there are many opportunities beyond those I've spoken about that can make a difference. The next chapter must be about empowering. It must be results-driven, not process-driven, and must include the availability of tools that make sense locally to achieve local priorities and needs.

Thank you, Mr. Chair.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Russ. Questions from the government? We've left about four minutes and a little bit.

No questions? You've been pretty clear.

Mr. Russ Powers: Thank you.

The Chair (Mr. Kevin Daniel Flynn): You must have done a good job, Russ. Thank you very much for being here today; we appreciate it.

Mr. Russ Powers: Thank you.

WELLESLEY INSTITUTE

The Chair (Mr. Kevin Daniel Flynn): I'm just being advised by the Clerk. It's probably best we move ahead.

The Wellesley Institute: Michael Shapcott. Michael, if you'd like to come forward.

Mr. Michael Shapcott: Thank you.

The Chair (Mr. Kevin Daniel Flynn): Welcome. I'm sure you understand the rules. Fifteen minutes. Use that any way you see fit. If there's any time left over at the end, it all goes to one party. In this rotation, it will go to the PCs. I'll give you a little hint when you're getting close to the end.

Mr. Michael Shapcott: Thank you very much.

The Chair (Mr. Kevin Daniel Flynn): Other than that, the time is all yours.

Mr. Michael Shapcott: My name is Michael Shapcott. I represent the Wellesley Institute. We are a non-partisan and independent research and policy institute dedicated to advancing urban health. We're here today to urge this committee and, through this committee, to urge the Ontario government to use the next provincial budget to take leadership on housing and homelessness issues.

Before I begin with our three practical recommendations on how the Ontario government could actually achieve that in the next budget, we do want to note with thanks and acknowledge that on the second day of the new Wynne administration there was a very important announcement made in which the provincial government

announced it would pick up funding for the mental health and homelessness pilot project, the At Home/Chez Soi project, here in Ontario. This is a project that has used the "housing first" approach to end homelessness.

Some might say, "Why should the provincial government be picking up sustainable funding for a pilot project of the federal government?" but of course, we're glad the provincial government did and we're even more glad, in yesterday's federal budget, that the federal government has announced that it's now refocusing its national homelessness funding for Housing First. So we have a rare agreement between the provincial and federal governments that this is a very practical initiative to end homelessness for those who are chronically homeless.

So in that spirit of unanimity and of federal-provincial co-operation, we do have three very practical recommendations for this committee in terms of the upcoming provincial budget.

First, we're urging that the Ontario government restore housing and homelessness funding levels in the basket of housing and homelessness programs that it calls the Community Homelessness Prevention Initiative. This includes the former Community Start-Up and Maintenance Benefit and several other housing and homelessness programs. These were consolidated as part of the provincial government's Long-Term Affordable Housing Strategy in order to give municipalities greater flexibility in administering provincial funding. Of course, that's a good thing because municipalities are best positioned to know what local needs are, and they should have some flexibility. But unfortunately, when the consolidated program was announced in July 2012, there was roughly a 50% cut in funding that was available. It was capped. In particular, the Community Start-Up and Maintenance Benefit was cut by 50% as it was transferred over to municipalities. This is a small benefit in the scale of things, but one that's critically important for people who are making the transition from homelessness to housed.

At the Wellesley Institute, my colleague Steve Barnes, working with some of our community partners—we've been tracking the impact of these funding caps and restrictions since they were implemented in January. We now have 93 specific submissions from across the province on the impact. Some of the measures that we've heard—we've heard, for instance, that women trapped in homeless shelters are unable to leave shelters because they can't get their last month's rent deposit in order to move into housing. We've heard of people who can't afford to pay their rent or utility bills and therefore face eviction and indeed are evicted because they can't get access to basic homelessness prevention measures. We've heard that people aren't allowed and aren't able to access things like furniture—basic furniture like cribs for their babies—because they're unable to have access.

This is a small fund in the scale of things. We appreciate that these are austere times and every dollar counts. We estimate that the cost of restoring full funding to the basket of housing and homelessness programs that were cut last July is about \$20 million to \$40 million in the

current year and possibly \$60 million and maybe as much as \$80 million in future years, depending on need across the province—a small amount of money, relatively speaking, for the province, but a huge impact on the lives of homeless people. So, our first recommendation is to restore full funding to housing and homelessness programs and ensure there are consistent standards across the province.

Our second recommendation is that we think that the upcoming provincial budget is an ideal time to implement the recommendation from last year's Commission on the Reform of Ontario's Public Services, the Drummond commission, that the provincial government take leadership in negotiating a long-term and adequately funded housing deal with the federal government.

Now, before yesterday, it would have seemed like a bit of an onerous challenge to take on this recommendation because the federal government was committed to terminating its national affordable housing initiative as of 2014, but in fact, in yesterday's budget, the federal government has announced an important—it's not, perhaps, adequate enough, but it's important—five-year extension of the national affordable housing initiative. So now Ontario has an excellent opportunity to use this as leverage to move where the Drummond recommendation recommended, which is, "Ontario should negotiate with the federal government to commit" funding for "a housing framework ... that includes adequate, stable, long-term federal funding and encourages its housing partners and stakeholders...."

Again, we're estimating that the exact amounts to be negotiated—about \$120 million would be required for the federal government both to meet its cost-sharing commitments under the federal announcement that was made in yesterday's budget and also to make the step towards this adequate, stable, long-term federal funding. So our recommendation is that the door has been opened in yesterday's federal budget; the Ontario government should move forward with that.

Finally, our third recommendation involves Infrastructure Ontario, which I think, strictly speaking, is not a budgetary matter because it's fully capitalized from the sale of provincial bonds, but since it involves money and this is the finance committee, we want to put this issue there.

In 2008, the provincial government announced a \$500-million affordable housing loan fund through Infrastructure Ontario. It has been very, very successful in providing financing matched with grants and other initiatives for a number of innovative housing projects. Just down the street, at the YWCA Elm Centre, there are now 300 women, children and aboriginal people who now have a good home, thanks to Infrastructure Ontario.

1520

They have not issued reports lately on exactly how much money is left in the \$500-million loan fund, but we think it's probably, if not fully committed, mostly committed. We'd urge that this committee, in turn, recommend that an additional \$500 million be capitalized

through the sale of provincial bonds so that that loan fund could be topped up. Again, it is a loan fund; it's not a grant program, so it is structured and paid back.

I'd say that the people of Toronto have a special interest in this because at the moment there's a negotiating deal between Infrastructure Ontario and Toronto Community Housing to provide incremental financing of \$94 million for Toronto Community Housing, which is a vital step in providing financial stability for what is the largest landlord in Ontario, preventing the sell-off of much-needed affordable housing and tackling a large and growing capital repair shortfall.

Our third recommendation is that Ontario should ensure the Infrastructure Ontario affordable housing loan fund remains fully capitalized at \$500 million and that it review its criteria to ensure adequate financing is available. Those are our three practical recommendations. Thank you for listening.

The Chair (Mr. Kevin Daniel Flynn): That's wonderful. Thank you very much, Michael. The questions go to the PCs.

Mr. Peter Shurman: We have nothing.

The Chair (Mr. Kevin Daniel Flynn): Very good. Thank you. You did another thorough job.

Mr. Michael Shapcott: Isn't that great? Thank you. I'll just take my water and go.

The Chair (Mr. Kevin Daniel Flynn): Okay. We're moving on to the next delegation, which is the Ontario Council of Agencies Serving Immigrants. Is Amy in the audience with us? No? How about the Koch Companies in Canada, Paul Brown? The Ontario Association of Non-Profit Homes and Services for Seniors? How about the two ladies in the front row? I'll make this shorter.

Ms. Lorrie Gillis: The Ontario Regional Wind Turbine Working Group.

The Chair (Mr. Kevin Daniel Flynn): Are you ready to go?

Ms. Lorrie Gillis: I can be.

The Chair (Mr. Kevin Daniel Flynn): Well, let's make your day shorter for you and ask you to go ahead.

Ms. Lorrie Gillis: I have handouts here.

The Chair (Mr. Kevin Daniel Flynn): Yes, we'll take care of that for you.

Ms. Lorrie Gillis: You may get to go home early today. Don't say it out loud.

The Chair (Mr. Kevin Daniel Flynn): I'd like to tell you that you were going to beat the traffic, but that doesn't happen much anymore.

Ms. Lorrie Gillis: No, I noticed that.

The Chair (Mr. Kevin Daniel Flynn): Traffic starts at 2 now. Okay, you must be Lorrie?

Ms. Lorrie Gillis: Yes.

The Chair (Mr. Kevin Daniel Flynn): Greetings, Lorrie. Thanks for attending the committee and thanks for agreeing to go early.

Ms. Lorrie Gillis: No problem. How early am I?

The Chair (Mr. Kevin Daniel Flynn): You're about an hour early.

Ms. Lorrie Gillis: There were people coming, actually, to hear me speak. Should I be waiting?

The Chair (Mr. Kevin Daniel Flynn): That's entirely up to you. I can't force you to go now. It certainly would help us if you went now. Are the people driving a long way?

Ms. Lorrie Gillis: Some of them are driving quite a distance.

Interjections.

The Chair (Mr. Kevin Daniel Flynn): Okay, I'll tell you what; why don't you step down and we'll deal with you later. We've got a bit of committee business we can deal with in the interim.

Ms. Lorrie Gillis: I can acclimatize. Thank you.

COMMITTEE BUSINESS

The Chair (Mr. Kevin Daniel Flynn): Katch is going to prepare us for what we can deal with now at the committee level. I understand some discussions have taken place. Michael, you have put a motion forward?

Mr. Michael Prue: Yes, I have a motion here that I would like to read into the record, and I have copies.

The Chair (Mr. Kevin Daniel Flynn): Can you hang on a second? Katch is going to make sure everybody has one in front of them.

Mr. Michael Prue: Oh. I had them all here, but anyway, he's got them too. That's even better.

I hope we get one too, since you did take them all.

The Chair (Mr. Kevin Daniel Flynn): I thought you had it memorized.

Okay, Michael, when the Clerk returns, the floor is yours.

Michael?

Mr. Michael Prue: Thank you very much, Mr. Chair. In view of the discussion this morning, I have prepared a motion that reads as follows: I move that the Standing Committee on Finance and Economic Affairs travel to the city of Thunder Bay for the purpose of holding a pre-budget consultation on Wednesday, April 3, 2013, thereby granting the northwest region of Ontario the ability to have their voices heard, and that the deadline for written submissions be moved from 5 p.m., March 22, to 6 p.m., Wednesday, April 3, 2013.

The Chair (Mr. Kevin Daniel Flynn): Thank you. You've moved that?

Mr. Michael Prue: I move that.

The Chair (Mr. Kevin Daniel Flynn): And—speaking to it?

Mr. Michael Prue: To speak to it, just very briefly: Yes, it is correct that there was an editorial comment and a front-page article in the newspaper in Thunder Bay upset at the fact that we were not visiting them. I do remember distinctly the subcommittee meeting and the discussion on the number of days that we would be travelling. Unfortunately, because the number of days was cut from five to three, Thunder Bay and London, Ontario were removed. It seems to me that, given the length and distance from Toronto that Thunder Bay is, it

is only right and just, since they do genuinely want us to appear there, that we do so, hence this motion.

It may also, Mr. Chair, at the same time, accommodate—and I leave this—I think there's going to be an amendment and also discussion from the subcommittee—it may give an opportunity to those 50 or so organizations that were not able to be heard in Toronto, should they wish to go to Thunder Bay, to get there as well. Plus, organizations such as the Federation of Urban Neighbourhoods, which missed the deadline, should they wish to travel to Thunder Bay—an opportunity for them to be heard if there are any spaces up there. It may accommodate a whole bunch of people who would not otherwise have been heard, and I so move.

The Chair (Mr. Kevin Daniel Flynn): Thank you very much, Mr. Prue. Mr. Shurman?

Mr. Peter Shurman: Thank you very much, Chair. I'm anxious to speak to this, because this comes as a direct result of the government's request this morning to respond to Thunder Bay submissions that would be heard were we to be able to hear them, whether by teleconference or whether by going to Thunder Bay.

I want to point out a couple of things. First of all, when the subcommittee originally met and discussed travel plans, the first proposal that was made about having three days and needing to go east, north and west came from me; I said we should go to Ottawa—we did go to Ottawa. I proposed Thunder Bay as the northern position, and you can consult the Hansard on this. I proposed London in the west, and there was some discussion. It was agreed that we would go to other places. Timmins hadn't been a recipient of hearings for quite a while; we went to Timmins in the north and we wound up going to Windsor.

I have no problem with going to Thunder Bay. Like I said, I proposed it, but I think that the concept of the spirit of co-operation that we keep hearing about from Premier Wynne and from Minister Sousa, who, after all, is the recipient of the results of hearings like this—that we would co-operate and all work together—is bogus, because if they really wanted to go to Thunder Bay, they could have voted with me at the beginning and we would have gone to Thunder Bay.

I have nothing inherently against going to Thunder Bay, and I'm prepared to support the motion on the table about going to Thunder Bay, but I maintain that in a government that wants to propose that it is open and willing to co-operate—they haven't so much as given us an idea of when we can expect this budget or what kind of date structure we have. The whole idea that we're going to take extra time negates report writing next week, which was approved yesterday, on the 28th, because we'd probably be going on the 28th, if not after that—in fact, I think the motion does say April 3. We're going after report writing, so we're going to have to put report writing forward. Report writing would, therefore, be somewhere in what? The 10th, 15th, somewhere in there. When's the budget? I don't know. So I'm going to move the following amendment:

I move to amend the motion tabled by the NDP by adding the following phraseology: “provided that the Minister of Finance make public the date on which he will present the Ontario budget no later than 5 p.m. Wednesday, March 27, 2013, and that it be consistent with this travel schedule and respectful of the time required for the committee to complete its report.”

That’s my amendment. I believe it’s fair and just, and I’m sure that if there is discussion on any kind of a public basis, people would generally agree.

The Chair (Mr. Kevin Daniel Flynn): Before you speak to it, Peter, we need to get some copies made.

Mr. Peter Shurman: I’d be happy to do it. I have copies of it.

The Chair (Mr. Kevin Daniel Flynn): We’ll take a short recess while some copies are made. It shouldn’t take more than five minutes, so don’t go too far.

The committee recessed from 1531 to 1538.

The Chair (Mr. Kevin Daniel Flynn): Okay. Let’s call back to order again. Everybody’s got a copy of the amendment now.

Peter, you had the floor when we left. Did you want to speak to the amendment at all?

Mr. Peter Shurman: Only to say that I think it is entirely fair, given the fact that if there is a dissatisfied stakeholder or stakeholders in Thunder Bay or anywhere else who wanted to address us by teleconference, we could even have done it now in the time we’re taking on this motion and amendment. We’re not doing that. We could have gone to Thunder Bay. We didn’t take a full day in Timmins as it turned out. We didn’t do that—based on a proposal that I had that we go to Thunder Bay.

We are now looking at an amendment that attaches a reasonable condition. In fact, it isn’t a condition that I even take any pleasure in asking for because a reasonable person in the position of Minister of Finance would already have told the constituents of the province of Ontario and the other parties that he’s supposed to be co-operating with what the date of the budget would be. Instead, we have some idea that it’s going to be some time after April 16. For all I know, it’s in bloody June. So I’ve proposed the amendment, and it’ll carry or it won’t.

The Chair (Mr. Kevin Daniel Flynn): Any other speakers to the motion? First Steve and then Catherine.

Mr. Steven Del Duca: First, I guess I would begin by saying how happy I am to hear from both of the parties opposite, in response to the discussion that we put forward this morning, that there’s general agreement that it’s important to make sure that we hear from folks in northwestern Ontario, so that we make an effort to get to that part of the province so those folks have the opportunity to make their voices heard.

A couple of things have come up in the discussion this afternoon regarding this particular amendment to the original motion put forward by Mr. Prue, and this amendment—I’ve heard stuff come from the folks opposite about needing to know what the date of the budget is.

I just want a clarification. If I understand the amendment properly, what’s being asked for here is that this

committee will only go to Thunder Bay if the Minister of Finance discloses the date of the budget by Wednesday, March 27 at 5 p.m. In other words, the PC caucus opposite is saying that if they don’t get that information, they’re not interested in hearing from the people of northwestern Ontario. Can I just get a clarification on that? You’re saying, if you don’t get the date of the budget by this date that’s in the amendment, you’re not going to go to Thunder Bay?

Mr. Peter Shurman: If I may, sir, I’ll respond.

Mr. Steven Del Duca: So I understand it.

Mr. Peter Shurman: The motion talks about travelling.

The Chair (Mr. Kevin Daniel Flynn): Are you finished now, Steven?

Mr. Steven Del Duca: I’m finished for now, but once I understand this more clearly, then I can probably speak a little bit further to it.

The Chair (Mr. Kevin Daniel Flynn): Okay, let’s go to Catherine, then we’ll go back to you, Peter.

Mr. Peter Shurman: Sure.

The Chair (Mr. Kevin Daniel Flynn): Catherine?

Ms. Catherine Fife: Thank you. I think that we have to acknowledge that the tight timelines primarily are because the Legislature was prorogued. We’re trying to cram a lot of consultation into a short amount of time. We’ve put forward this motion because we are generally interested in going to Thunder Bay and meeting with people and sitting down and listening to them. If we were to support this amendment, it ties a condition to our intention and we don’t want to do that, so we’re not going to be supporting the amendment. We want to travel to Thunder Bay. We want to listen to the people there. We hope that actually this committee votes in favour of travelling to Thunder Bay and listening to the people there.

The Chair (Mr. Kevin Daniel Flynn): Okay, let’s go back to Peter, then Steven, then back to Monte.

Mr. Peter Shurman: I simply want to say that the record speaks for itself. I’ve mentioned several times and I’ll mention again that I proposed Thunder Bay. It’s not a question of whether we want to go to Thunder Bay and it’s not a question of whether we want to hear from Thunder Bay or London or Kingston or anybody else. It’s a question of a proposal here, a motion by the third party, by the NDP, that we travel—that’s the salient word here—to the city of Thunder Bay on April 3. We’re writing a report, as far as I know, the day after that, and we’re writing the first half of that report on the 28th of March before we’ve gone to Thunder Bay, if we go ahead with this motion.

So I have put the condition on it by way of saying: Look, if we’re going to put the whole process back, is there a point to this? Unless we know that we have, for example, until the—let’s pick a number—25th of April before we hear from the Minister of Finance, because if he’s planning to put his budget forward on—let’s pick another date—the 10th, there isn’t going to be any report that informs him. So let’s be realistic with the people of

Thunder Bay and everywhere else that these hearings actually have import and meaning and that they're going to be taken into consideration and inform the budget itself. That's why I have the amendment on the table.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Peter. Steven?

Mr. Steven Del Duca: Thanks, Mr. Chair. Now I do understand it a little bit better. I think it's safe to say that from our side's perspective, we are in support of the original motion put forward by the NDP.

The only other thing I just wanted to clarify—I know that I spoke to the member from Beaches–East York about this offline, but I just want to be clear that with this motion, the first portion of the report writing will proceed as scheduled on—I believe it's the 28th of March. I might be wrong about the date, but the originally scheduled date of March 20 is still going to be on track. And if that's the case, then—

Mr. Michael Prue: If I could, Mr. Chair, that is our intent, that we continue with the schedule. That was our intent.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Steven. Anything else?

Mr. Steven Del Duca: I'm done.

The Chair (Mr. Kevin Daniel Flynn): Monte?

Mr. Monte McNaughton: I'm okay, thanks.

The Chair (Mr. Kevin Daniel Flynn): You're good? Okay.

Let's deal with the amendment first. Any further speakers to the amendment? All those in favour? All those opposed? The amendment loses.

Going to the main motion now: Are there any speakers to the main motion moved by Mr. Prue? All those in favour of the main motion? All those opposed? That motion is carried. The subcommittee now may want to get together and just discuss the ramifications of what we did, just to make sure that—

Interjection.

The Chair (Mr. Kevin Daniel Flynn): Not now. I'm not talking about now.

Mr. Peter Shurman: Just tell me where you want to go.

The Chair (Mr. Kevin Daniel Flynn): After this, because we've got some advertising to do. Obviously, some of the details we would deal with typically in a subcommittee. It shouldn't take very long.

Mr. Michael Prue: We'd probably be out by 6 o'clock, approximately.

The Chair (Mr. Kevin Daniel Flynn): I suppose it has to be. Probably the sooner, the better, I would think, Michael, as much as I don't want to be here much after 6.

Okay, we've dealt with that. We've dealt with our housekeeping. Thank you for allowing us to do that. We're going to move on now to the Ontario Council of Agencies Serving Immigrants. No? The Ontario Association of Non-Profit Homes and Services for Seniors?

The Clerk of the Committee (Mr. Katch Koch): Koch company.

The Chair (Mr. Kevin Daniel Flynn): Oh, Koch company. I'm sorry. Is Koch company here yet? I just assumed they weren't. Let's go on.

ONTARIO ASSOCIATION OF NON-PROFIT HOMES AND SERVICES FOR SENIORS

The Chair (Mr. Kevin Daniel Flynn): The Ontario Association of Non-Profit Homes and Services for Seniors. I dropped their package off over here. It's the red ones underneath.

Thank you for coming. You've got 15 minutes to make your presentation. You can do anything you like with that time that's legal. At the end of that time, if there is any time left over, the questioning then will go to the NDP.

Ms. Donna Rubin: Okay, thank you. My name is Donna Rubin, and I'm the CEO of the Ontario Association of Non-Profit Homes and Services for Seniors. With me today is Dan Buchanan, our director of financial policy.

Our submission that's coming to you around the table provides input from the not-for-profit, long-term-care provider perspective on how we believe the long-term-care system can be improved and how it should be funded. The submission is in your package, and I'm speaking to a highlights document, a bit of a slide deck, so if you want to follow on that, I'm on slide 2, which is our key recommendations.

We believe there's a need for continued investment in long-term care, in particular funding to increase care staff. We want to simplify a complex and rigid funding system that currently returns millions of dollars back to the province—funds that were intended for care. We want to see movement on a viable capital program.

We've seen substantial investment in our sector over the last decade, both in base funding and funding for targeted positions, such as nurses and personal support workers. These investments have been welcomed, but they have been tempered by the cost of inflation and the growing acuity of our residents. We're seeing people being discharged from hospital requiring significant attention from limited staff in our homes.

If you turn to slide 4, we outline a bit the investments in core funding on the left, showing that there has been an increase on average of 3.5%. Within that, on the right, two of our key buckets or funding envelopes—the top one, nursing and personal care, shows an average increase rate of 3.9% annually. Not last year but over the decade, that has been the average. The other major envelope, other accommodation, which deals with utilities, laundry, dietary and so forth, has been increased by 2.4%.

While we're very sensitive to the economic reality of the province, we feel that we need to maintain the gains that have been achieved, and if we don't see a minimum increase of about 2% to our base funding, the result will be that we'll be going backwards. We believe that our recommendation is clearly aimed to protect the gains that have benefited residents.

I should pause to say that by no means do we see this as taking care of all of the needs in long-term care. Many of you, if you follow long-term care in the media, have been seeing the call for more staff on the floor, and we completely support that. This is not to increase our staffing levels dramatically. This is a maintenance-type budget that we're recommending.

On slide 6, we want to identify that the current funding model, through a series of changes, could be simplified to free up dollars that are already coming to the homes for care. Last year's budget signalled flexibility in our funding as something that needed to be achieved, and some steps were taken but further steps can be made. So we want to increase the gains that we've seen.

If you look at slide 7, I'm not going to go into this in detail but here is our current funding model. It's pretty complex and it's very rigid. The boxes on the left represent our buckets or budgets of funding, which we call envelopes. The top three are the care envelopes that are core to our funding. We receive the money. If you don't spend it, you give it back, and because you've got all these little budgets to attend to, you're giving money back to the government because you're trying to budget close to your envelope. You can't carry a deficit.

Most of the supplementary streams, or the pots below, have not been adjusted for many, many years—well over a decade, if not almost two. We're saying that some of this can probably go into core funding.

One last comment before I go on to a more simplified slide is the case mix index—that little diamond at the top. We receive our funding based on the type of clients that we take into our homes—their level of acuity. As well, you've probably seen media reports recently that talk about homes losing \$100,000, \$200,000 in their funding because their case mix or their clientele has shifted, and their funding's going down or going up. That can have huge consequences. If you lose \$150,000, you're laying off staff, only to be chasing them the next year when your funding goes up. And so we're trying to mitigate the huge instability and volatility in our funding.

1550

If you look at slide 8, here's what we'd like to see, a much more simplified model. I'm not going to dwell on it, only to say that that will go far to providing what on slide 9 are three key changes:

- collapsing the three care envelopes into one and then still having the accommodation envelope, which is where the profit or surplus can be taken out;

- have these two envelopes consolidate the "pots" into a streamlined system; and

- mitigate that volatility in funding year over year, mitigate it by half. That's our recommendation.

So what we'll see is a more efficient, flexible and stable system. We're going to keep more dollars going to resident care. We're going to increase efficiency and effectiveness of those existing dollars. And we're going to see stability in the system and a more stable work and care environment.

I have a couple of other recommendations that I just want to touch on as well. We think we need more

evidence-based policy and a way of showing a year-over-year acuity change that then could be tied to funding. Right now there isn't a measure for doing just that and that's a recommendation we're making for 2013-14, so you have a better way of knowing how much we should be funding this sector.

Finally, the last two recommendations: (a) a capital redevelopment program. One was announced a few years back and there was very little uptake because it didn't provide sufficient funding for the sector to move forward. And then, as well, (b), we need a minor capital fund. This will allow homes to access a fund for capital needs such as roof repairs and other structural changes. We've had one in the past; there hasn't been one for a number of years. The hospitals certainly have a fund called the Health Infrastructure Renewal Fund, to which they have access, and we'd like either to have the same access or a similar fund.

In summary, our key objectives are to continue to ensure base funding increases; improve the funding methodology and streamline that approach with more flexibility and stability; and ensure capital needs are being addressed.

As I indicated at the beginning, our recommendations are more thoroughly outlined in the attached written submission. Thank you.

The Chair (Mr. Kevin Daniel Flynn): Wonderful. Thank you, Donna. You've left just over six minutes for questions. The NDP is first. The NDP is the only people, actually.

Ms. Catherine Fife: Thank you very much. And thanks for the presentation. I mean, the recommendations make perfect common sense. I've heard this also from the homes in my riding: just to simplify the funding streams.

There's an issue that comes up, though, every once in a while and it's around nutrition in homes and food and the budgetary allotment for nutrition. It's such an important issue in long-term care. Can you comment at all on nutrition in homes?

Ms. Donna Rubin: Well, the amount per day is just over \$7, and that is to feed residents through three meals and provide all their supplements, vitamins, snacks, that sort of thing that goes throughout the day as well. We did see a substantial increase at one point in time. Early in the 2005 time frame it jumped about 25%. Since then, the increments have been marginal. So at this point in time, I think people certainly can—we're asking for a 2% increase to that amount, which will be really pennies. But this is a large system—75,000 people and 630 homes—and even 10, 15 cents adds up.

Ms. Catherine Fife: Well, I'm sure even \$7—

Ms. Donna Rubin: It's not enough.

Ms. Catherine Fife: I can't even imagine the challenges of feeding very fragile patients with \$7—

Ms. Donna Rubin: You're right, and a variety of diets, anything that you can imagine in a hospital: lactose free and puréed and all of that.

Ms. Catherine Fife: Thank you very much.

Mr. Michael Prue: This is a little technical. Some of the wording here is a little technical, but I trust it's all good and we'll try to put it forward for you.

The question I have is have you had any discussions with the ministry from where this money might come? Is the finance committee to look for additional money or is this to be taken out of money for hospitals, which we've heard in the Legislature? They're being reduced so that that long-term care and/or CCACs or other organizations get the money instead. Did they say where they're getting this money from?

Ms. Donna Rubin: No, because they're not saying that they're funding this yet.

Mr. Michael Prue: Okay.

Ms. Donna Rubin: The 2% increase is new dollars. It's still significant. That would equate to about 2%. I identified about a \$2 increase in nursing and personal care and \$1 in the OA envelope. That equates to \$90 million.

Mr. Michael Prue: So, this conceivably could be an additional \$90 million so that you don't go backwards?

Ms. Donna Rubin: That's right.

Mr. Michael Prue: That's what we need to hear.

Ms. Donna Rubin: The other changes are low cost or no cost and don't even require legislative change. They could be done with a flick of a pen, and those are, I think, very viable changes that should be considered as well.

Mr. Michael Prue: Now, if you don't get that \$90 million—and I hope you do, but if you don't, could you tell us what—obviously you're going backwards—

Ms. Donna Rubin: We're going backwards.

Mr. Michael Prue: —so the food would get worse, the care would get worse, the—

Ms. Donna Rubin: Staffing we would have to reduce because our collective agreements are going up by 3% or 2% per year depending on the arbitrated settlements. That's the environment we work in, and we will be laying staff off. This is at a time when, as I said, we're in a continued spotlight that we barely have enough staff on the floor now.

If I recommended where I thought we should be, which was identified in 2008 in the Sharkey report, we would be right now at four hours of care. We're nowhere near that level. We desperately need staff, and we certainly don't want to lose the staff we have.

Mr. Michael Prue: Thank you.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Donna, for coming today.

Ms. Donna Rubin: Thank you.

The Chair (Mr. Kevin Daniel Flynn): Thank you for being there.

Ms. Donna Rubin: You're very welcome.

Mr. Dan Buchanan: It was a pleasure.

The Chair (Mr. Kevin Daniel Flynn): Thank you for being supportive.

Okay. We'll call these two again. Ontario Council of Agencies Serving Immigrants—anybody here?

The Koch Companies in Canada?

Opportunities Mississauga for 21 Plus?

We're back to the Regional Wind Turbine Working Group. If you still want to wait for your folks, we can do that. If the subcommittee wanted to go and spend five minutes hammering out some details, we could do that as well.

Mr. Michael Prue: Then I move a recess for a period of about five to 10 minutes in order for the subcommittee to meet.

The Chair (Mr. Kevin Daniel Flynn): Okay. We're recessed.

The committee recessed from 1557 to 1614.

The Chair (Mr. Kevin Daniel Flynn): Let's call back to order.

Okay. If everybody could take a seat; we're going to get started again. I'm going to call, for the final time, the Ontario Council of Agencies Serving Immigrants. Not here? Okay.

Koch Companies in Canada? Not here.

OPPORTUNITIES MISSISSAUGA FOR 21 PLUS

The Chair (Mr. Kevin Daniel Flynn): We're going on, then, to Opportunities Mississauga for 21 Plus. Anybody from that group here? If you'd like to come forward, that would be great. If you would make yourselves comfortable, and when you are comfortable you will have 15 minutes to make your presentation; use that any way you see fit. If there's any time left over, there will be some questions. Questions this time will come from the Liberal Party. You have 15 minutes.

Ms. Rima Al-Salah: Good afternoon—

The Chair (Mr. Kevin Daniel Flynn): Oh, before you go on: If you could each introduce yourself as you speak, so the folks from Hansard know who's speaking.

Ms. Rima Al-Salah: Okay, well, I was going to introduce my group. We are Opportunities Mississauga for 21 Plus, a parent organization. With us we have Carla Bergmann, who's a parent and a board member; Ron Pruessen, who's also a board member, and he'll be speaking today; and Ross MacHattie, as well, is a parent and will be speaking today. My name is Rima AlSalah; I'm a parent and just here for support.

Mr. Ronald Pruessen: I'm Ron Pruessen. I'm on the board, as, indeed, all of us here at the front table are at this point. I appreciate the opportunity to be with you and to share some of our concerns about an issue that has motivated our group—concerned our family community group—for about 10 to 12 years now. We've gone through several stages.

We work in particular on the needs of adults with developmental disabilities. Indeed every one of us here is the parent of an adult child with developmental disabilities ranging in age from their twenties into their thirties.

We feel we have an important case to make for you as you deliberate budget decisions in the days ahead. We've made this case before, but we need to make it again. We feel, in fact, that we are in a situation that very much

amounts to a crisis situation as far as the province's services for adults with developmental disabilities are concerned and their families as well.

We know a lot about this. We have 180 families that are represented by our group in Mississauga. Between us—because of the fact that we have 24/7, week-after-week responsibilities for our adult children—we have at a minimum 7,000 years of experience with this issue if you add up the years that we have been responsible for our children and now our adult children.

There are days that we feel every one of those 7,000 years because we really have moved into a crisis situation on this front. Across the province, there are serious shortages of day activity programs, respite services and, perhaps in the worst case scenario, the residential programs that might be available for adults with developmental disabilities.

As some of you may know—as you should know—there are 12,000 people waiting for residential opportunities. Some 12,000 adults with developmental disabilities are waiting for residential opportunities at this particular point, many of whom have been on waiting lists for 10 and 20 years. Many of those 12,000 people are in families where the parents are now in their seventies and eighties and are still acting as the primary caregivers because there are no residential alternatives available.

There have been dramatic escalations of the problems connected with inadequate services for adults with developmental disabilities. As some of you may know—as you should know—there is an increasing problem with abandonment or, to use the official terminology which doesn't quite capture the crisis nature of the situation, "relinquishment-of-care" problems. The only way in which aging, strained parents carrying the burden of responsibilities can manage to deal with these issues and the pressures involved is to abandon care—adult children being left in emergency rooms at hospitals and the like. That's the crisis situation that confronts us at this point.

Ontario has long recognized the weaknesses in its services for the needs of people with developmental disabilities. Large institutions, in a very admirable way, were closed, but it has yet to follow suit with sufficient supports, necessary supports, for those individuals who have remained in the care of their families in their communities at this point.

Mr. Ross MacHattie: My name is Ross MacHattie, for the record. We do recognize, of course, that the Ontario government really has stepped off on an admirable effort in the transformation of services for adults with developmental disabilities, and that's with the introduction and the passing of Bill 77 back in 2008.

With that, there have been several very positive things to come out of it. For instance, there has been the creation of Developmental Services Ontario, which has really been designed to gather information across the province and to ensure a consistent level of services to provide across the province.

However, what has been missing in those last five years since the bill was passed is meaningful funding for

the various programs that have been identified by Developmental Services Ontario in their meticulous assessments of our adults with developmental disabilities. So the funding for the resources that are needed for these people has been absent.

1620

Primarily, the funding has been going towards the necessary bureaucratic process to equitably distribute funds, but the funds to actually provide the programming have been absent. This, then, doesn't allow the families in crisis to get out of crisis. More importantly, it doesn't allow the families to avoid it.

We need to understand that, of course, this serious underfunding of the programs—and when I say "programs," I mean day programs, respite care and residential services. These very support elements that have not been available do ease the pressure on the short-term budget constraints, but they do not, however, ease the pressures for the medium term and the long term. In fact, they increase the pressures associated with the budgets that are coming up.

In fact, the province is now just starting to see the explosion of the time bombs of the past policies that have been planted, and this is evident in caregiver burnout through the abandonment cases, increased physical and mental health problems—

The Chair (Mr. Kevin Daniel Flynn): Do you want to take a little break and grab a drink of water?

Mr. Ross MacHattie: Yes, thank you.

The Chair (Mr. Kevin Daniel Flynn): Feel free. We'll stop the clock for a second if you just want to—

Mr. Ross MacHattie: Thank you.

So, of course, these increased physical and mental issues to deal with, increase the burden on our existing health care system, increase the visitations to emergency rooms and the rest of the health system.

Mr. Ronald Pruessen: As some of you know, the Ontario Ombudsman has recently undertaken a very intensive investigation of services being provided for adults with developmental disabilities. The investigation is taking longer than expected because the Ombudsman has been besieged—and I don't use that word lightly—by hundreds and hundreds of requests for consideration of individual cases, and I don't think it's unreasonable to anticipate that the report that the Ombudsman will produce at the end of the investigation, some months now down the line still, will likely to be a scathing report in terms of its criticism of the provincial government's policies and behaviour on this critical front.

What we are urging as far as budget deliberations are concerned is that the current Parliament get out ahead on this issue and to begin at least to demonstrate that it is recognizing the need for critical services and is going to try to take actions that will de-escalate the grave situation.

Mr. Ross MacHattie: Certainly we would not accept ethically dubious and pragmatically short-sighted policies towards other social and humanitarian issues. Can we imagine a province where it takes 30 years on the waiting

list to get into kindergarten or 15 years for a bed to come up in long-term care? So why is it, then, that entitlement to these sorts of basic services we're withholding from the most vulnerable of our society? We have been able to put in place what is needed. We do what's right to provide for health care, education, seniors, which is exactly the way it should be. So let's stay true to those moral convictions and deliver the basic quality of life standards for our developmentally disabled people.

Mr. Ronald Pruessen: Just in closing, we urge you to seriously consider taking some meaningful steps as far as this critical problem is concerned and would emphasize that we are talking about taking those steps for two reasons: One because it's right, because this is ethically and morally appropriate for a society that prides itself on social responsibility; but, in addition, because it is pragmatic.

We come back to the question of the time bombs that are exploding around us. Not to take action now is going to dramatically increase the cost of dealing with these issues, as well as impose horrible experiences on the families involved, and stunted, limited lives on the adults with developmental disabilities that we are talking about.

We need real, front-line services, not process dollars—enough of the process dollars. Let's put some meaningful resources into the services, the day programs, the respite opportunities and the residential supports that are vitally needed at this point. There are lots of ideas out there. The Ministry of Community and Social Services has heard from family organizations like ours about creative, co-operative efforts involving families, involving community resources and involving government resources. We're not in a blank space here. There are lots of ideas. There is no money available at the government level to support those ideas at this point. Although the family and community responsibilities are very much there, real progress on dealing with the time bomb problems confronting us is not going to be made without meaningful government assistance as well. Thank you.

The Chair (Mr. Kevin Daniel Flynn): Great. Thank you, Ron. There's a very short—

Applause.

The Chair (Mr. Kevin Daniel Flynn): It seems like your presentation met with some approval.

There's a very short period of time left, and that's going to go to the Liberal Party. Who's got the question over there? Steven.

Mr. Steven Del Duca: Thank you very much for the presentation today. You mentioned near the beginning that this is a problem affecting roughly 12,000 people right now. Is that the number—

Mr. Ronald Pruessen: Some 12,000 people on the waiting list.

Mr. Steven Del Duca: And is there any particular regional breakdown for that that you're aware of? Is it largely GTA-focused? Is it pretty much spread across the province?

Mr. Ronald Pruessen: There's a serious problem across the province, but, as the demographic patterns are

going to suggest, it is clearly heavily concentrated in the GTA area. In the region of Peel where we are located, for instance, there are 600 people on the waiting list at this point. To put that into perspective for you, in terms of the critical nature of this issue, there may have been five placements in residential programs out of those 600 in the year 2012. Also to put it into perspective, there was a dramatically increased number of abandonment cases—25 to 30—in the space of the second half of 2012 alone. Considering the seriousness of that step from a family's perspective, it gives you a sense of why we call this a crisis situation.

Mr. Steven Del Duca: You talked a little bit about the abandonment process and you mentioned that people will, in these cases, drop individuals off in ERs etc. Can you actually explain what happens when that happens, when someone is left in an emergency room?

Mr. Ronald Pruessen: It creates, for the system, a crisis situation that they have to try to figure out how to manage. The local service-providing agencies—a community living organization, for instance—might become involved, depending on the location of the emergency room and where the individual is. In any number of cases, those are dealt with by placing individuals in a crisis care bed that may be available, but there are only a few of them in any given community and they are supposed to be crisis-driven. They are supposed to be there for a matter of a week or two.

In an increasing number of cases, you have individuals who are in their twenties or thirties being placed in long-term-care facilities—essentially into nursing homes—for indefinite periods of time.

The Chair (Mr. Kevin Daniel Flynn): Thank you very much for coming today. It was well received. Thank you.

Mr. Ronald Pruessen: We have some handouts that we were going to leave with you.

The Chair (Mr. Kevin Daniel Flynn): Great. If you would leave them with the Clerk, he will make sure that every member receives one.

Mr. Ronald Pruessen: Good. Thank you.

ONTARIO REGIONAL WIND TURBINE WORKING GROUP

The Chair (Mr. Kevin Daniel Flynn): Okay, Lorrie, you're up again. You've had a dry run; this is the real thing now. Same rules—15 minutes; use it any way you like. If you've got any time left at the end, the questions this time will go to the Conservative Party.

1630

Ms. Lorrie Gillis: Thank you for giving me this time to speak. My name is Lorrie Gillis, and I am chair of the Ontario Regional Wind Turbine Working Group.

Ontario Regional Wind Turbine Working Group lists representatives from local wind turbine groups from the counties of Grey, Bruce, Simcoe, Dufferin, Huron, Middlesex, Wellington, the city of Kawartha Lakes,

Toronto, Niagara West—Glanbrook, the city of Thunder Bay and the municipality of Norfolk county.

Most would agree that a good quality of life is critical to a strong and thriving tax-paying community. I give you the following information to help you understand how and why this point is being undermined.

Many of us in rural Ontario are trying to protect our health, home and community from our own provincial government's imposed law, the Green Energy and Green Economy Act. Why? We see industrial wind turbines being forced onto communities by a very few land-owners, the Ontario government and multinational wind corporations. Without feed-in tariff, or FIT, contracts, these wind projects could not exist. The Ontario Power Authority is, and should be, held responsible for taking all steps necessary to ensure that any negative effects resulting from their FIT-contract projects be rapidly investigated and rectified, and that they put in place, without delay, policies and procedures that halt, reverse, compensate individuals and communities, and prevent such negative effects in the future.

We now have neighbours who are suffering ill health after being exposed to wind turbines, some to the point of abandoning homes and farms. We have a senior citizen in the room right now—right here—who has had to leave her home; her home is toxic from wind turbines. Stephana Johnston cannot live in her own home, which was built for her to age in place.

Please consider the message in the following letter from a family who knows first-hand what problems can come from living near wind turbines. The letter reads:

"It's a tragedy that so many people are being harmed by the negligent operation of industrial wind turbines. It's reckless that these schemes are permitted to go forward when we don't understand the extent of the damage they cause, though we know it's profound. These are unmitigated disasters. We are witnessing breach of the public trust and so we have no faith in our governments anymore.

"Consider the burdens. Since 2010, our family's had to rent a safe house to stay at, since wind turbines are being dangerously operated 400 metres away from our home. These respite accommodations cost us approximately \$1,200 a month. We also spend another approximately \$1,200 a month maintaining our own home, which sits empty, waiting for us to return. Imagine spending this much money on housing and still feeling deprived of the comforts of your own home.

"Also consider the burdens on health care and other social systems. As an example, the following is a list of medical treatments received by one member of our family, since the wind turbines started operating:

- "—33 appointments with family doctor;
- "—two sleep investigations at sleep disorders clinics;
- "—investigations by specialists;
- "—ultrasounds, CT scans and other procedures;
- "—two MRIs;
- "—heart monitoring, stress test, numerous EKGs and blood work;

"—three emergency room visits.

"And the list goes on.

"How much evidence do decision-makers need before they recognize these problems need to be addressed?

"Projects should not be allowed to proceed; contracts should be revoked where operators are demonstrating negligence; negligent people should be removed from office; and criminals should be put in jail."

Farms that count on a working line of credit to survive are being denied, as seen in a letter provided from the Royal Bank to Paul Thompson of Amaranth township. Mr. Thompson is considered a high-value client with the bank. However, his property is considered high risk because of the health risks from the turbine transformer station nearby. The bank says the marketability of Mr. Thompson's property may be jeopardized. Without access to adequate working capital, the farm and farm family's very existence is threatened.

As well, a municipal property assessment review for Mr. Thompson has lowered his home assessment value by 50%. That board also found that noise contamination from the nearby turbine transformer station had a negative impact on the value and marketability on his property. For those of us who are counting on the equity of our home for our retirement years, both assessments from the bank and MPAC are bad news. I leave it with municipalities to calculate their loss of revenue from lowered MPAC home assessments.

A wind turbine installation proposal is enough to discourage home sales and property improvement. We see more studies coming out that show a drastic reduction in sale price for homes near wind turbines as per Ben Lansink Appraisals. We hear from real estate reps that one of the more common questions now is, "Are there any turbines around or going in near a specific property for sale?" Often, if the answer is yes, people will look elsewhere.

Another threat to a thriving community is the threat to tourism as quiet retreats, parks, cottage areas, biosphere reserves and major bird migration routes become noisy, mechanical wind turbine installations complete with access roads, power lines and thumping blades. With thousands of turbines proposed for rural and northern Ontario, including pristine crown land, the loss of a favourite quiet retreat for many from busy urban areas will be tragic. There is considerable concern for our migrating birds' survival as they try to go through or around the turbine blades, but perhaps that is part of the new green job count—daily bird and bat fatality counters.

Over a dozen members of the Ontario Regional Wind Turbine Working Group alone have been or are involved in litigation to try to stop industrial wind turbine installations. Municipalities and individual councillors are being threatened by wind company representatives for setting fees for road use, for passing bylaws to protect health and future community financial well-being, for demanding turbine decommissioning bonds or for denying road use agreements—all brought forward in an effort to slow or stop turbines from being built next to their constituents.

Grey Highlands has been threatened by federal Liberal Party president Mike Crawley's AIM/IPC/SUEZ wind company. Arran-Elderslie has been threatened by Leader wind. West Grey has been threatened by NextEra—that's what this headline is about. Bluewater has also been threatened by NextEra. Wainfleet is currently in court with Vineland Power. The city of Thunder Bay has been threatened by Horizon Wind.

On March 7, 2013, Justice Cromwell of the Supreme Court of Canada clarified the law applicable to damages claims against public authorities for injurious affection when no land is taken under Ontario's Expropriations Act and similar statutes in other provinces; for example, in cases where the land in question has not been expropriated, but the defendant's conduct substantially and unreasonably interferes with the plaintiff's use or enjoyment of his or her land. Property owners who suffer substantial interference from the construction of public works can still be compensated for the injurious affection that results from interference. Surely we can find a better route to a solution than the burden of more legal action.

There was a strong message sent to the provincial government in the last election, when Liberals lost 19 seats. It's time to rein this industry in. The people of this province are the government, and we will continue to protect our health, our homes and our communities in the next election. It is not acceptable for an industry to continue to harm our communities under the guise of a provincial policy.

The Chair (Mr. Kevin Daniel Flynn): Very good, you've left some time, which is great. The questions go to the PCs this time, about four minutes. Monte.

Mr. Monte McNaughton: Great. Well, thank you very much, that was a very well-done presentation and an excellent package. I'm very well aware of the issue. In my riding of Lambton-Kent-Middlesex, by the end of phase 3 there's going to be 1,200 wind turbines built in my riding. I've long been on the record as saying the greatest injustice of the Dalton McGuinty-Kathleen Wynne Liberals is sitting in this building behind a desk and telling people in rural Ontario where these turbines are going. It's an absolute disgrace.

1640

We introduced—our party—three bills and motions last year. One was to restore local decision-making. The second was to have a moratorium until health studies are done, and our leader, Tim Hudak, introduced a bill to scrap the FIT program, as you talked about. Of course, all three were defeated by the Liberals with the help of the NDP. So we're fighting hard on this.

But what I want to know is: What's your opinion, living in rural Ontario, watching the Liberal government cancel power plants because communities were upset, yet they continue to force wind turbines on the people of rural Ontario?

Ms. Lorrie Gillis: We matter too. That's my opinion. Every time another turbine project goes in, a whole bunch more people end up sick, and it's not okay to keep doing this to us out there. I'm sorry; it's just not. The

people out in rural Ontario are looking at the government now with total mistrust. They have absolutely no faith in almost any of you anymore. So, looking at this issue and taking it seriously and hearing what's happening—listen to the people who are living it, instead of engineers computer-modelling and some expert reading a pile of papers and telling you everything's okay. Everything is not okay.

There's a recent project that has gone into my own community of Grey Highlands with the new regulation setbacks of 550 metres-plus. We have people there who are so sick. One has already left their home. Another is desperately trying to convince themselves that they don't have to, but they know that they're going to have to. They're sick. They can't live there. They don't feel safe in their own home. There are a couple of other families who can't sleep at night. One fellow has missed time at work. Another fellow has been to the emergency room more than once. This is what's going on every time one of these projects goes in. Please listen.

Mr. Monte McNaughton: You mentioned the feed-in tariff program. There was a report that came out this week showing that within two years the average homeowner's bill is going to be increasing monthly \$38, and that full amount is attributed to this government's energy experiments. It's driving jobs out of the province. It's dividing communities, dividing families.

Ms. Lorrie Gillis: Oh, yes.

Mr. Monte McNaughton: I hear it time and time again. It's just an absolute tragedy in this great province.

Ms. Lorrie Gillis: It's an unmitigated disaster. The letter writer is absolutely correct—an unmitigated disaster for our communities, for our families and for the future of this province, I suspect, by the time we're done adding up the costs of all of this. It's such a waste.

For the people who are sitting here looking for money for elderly people—and I used to work in the kitchen of a nursing home—take them to heart, because they need help. They need more hands working there. The people who have developmentally challenged older children—I have friends like that too—they need that money, not the multinational wind corporations.

Mr. Monte McNaughton: Thank you.

The Chair (Mr. Kevin Daniel Flynn): About a minute left, Monte.

Mr. Monte McNaughton: No. Thank you very much. I don't have any further questions. Thanks.

Ms. Lorrie Gillis: Thank you.

The Chair (Mr. Kevin Daniel Flynn): Thank you for coming. Thank you for waiting.

Ms. Lorrie Gillis: No problem.

The Chair (Mr. Kevin Daniel Flynn): Great presentation. Thank you.

ONTARIO COALITION FOR BETTER CHILD CARE

The Chair (Mr. Kevin Daniel Flynn): Our next delegation today is the Ontario Coalition for Better Child

Care. Is Andrea with us? Come forward, make yourself comfortable. You have 15 minutes like everybody else. The Clerk will distribute those for you.

Ms. Sheila Olan-MacLean: Actually, my name is Sheila Olan-MacLean. I am the president of the Ontario Coalition for Better Child Care. Andrea was—

The Chair (Mr. Kevin Daniel Flynn): Okay. Welcome, Sheila.

Ms. Sheila Olan-MacLean:—previously on the list.

The Chair (Mr. Kevin Daniel Flynn): Any questions, if you leave any time, will go to the NDP this time.

Ms. Sheila Olan-MacLean: Very good.

The Chair (Mr. Kevin Daniel Flynn): Outside of that, it's all yours.

Ms. Sheila Olan-MacLean: Thank you, and thank you for this opportunity to present to you today. The Ontario Coalition for Better Child Care is an advocacy group in Ontario with a mandate for universal, affordable, high-quality child care. We've been at this since 1981 that we've been fighting for this child care plan, so today we want to tell you a little bit more about why we think this is a good idea.

I also have the great privilege of being the executive director of Kawartha Child Care Services. We serve over 900 children in the city and county of Peterborough, the city of Kawartha Lakes and the region of Durham. We have home child care, we have centre-based care, and I can tell you that there are a lot of families out there who need more care. For Ontario to succeed, early learning and care must flourish and we must put effort into building a strong service.

A recent special report from TD Economics acknowledges the importance of high-quality child care education and identifies that child care must be a high priority for public investment. I'm going to quote from that report: "While it is well acknowledged that primary, secondary and post-secondary schooling develops and enhances key life skills and abilities, the learning that occurs during the first few years of life can have important, long-lasting effects that are often underestimated. There is a great deal of literature showing overwhelming benefits of high-quality, early childhood education—gains not only for children, but for parents and the economy as a whole. A large number of studies estimate that the benefits of early learning far outweigh the costs. Indeed, the analysis shows that for every dollar invested, the return ranges from roughly \$1.50 to almost \$3, with the benefit ratio for disadvantaged children being in the double digits." These are pretty compelling arguments. Research over and over is telling us over and over again that investment in the early years—the zero to four years—are the most important and the best money that we can spend.

In Ontario, early learning and child care programs have faced chronic underfunding and new financial pressures, of course, from the implementation of the Ontario full-day kindergarten programs. The coalition for better child care recognizes the efforts of the Ministry of Education to provide more predictable funding for

municipal service managers and child care programs through a new funding formula that has just come out in December.

However, the funding formula calls for huge cuts to child care funding for 18 communities in Ontario in 2017. Cuts to child care funding are completely unacceptable. We are so underfunded now; families absolutely need child care. Right now we're demanding that the cuts to child care for those 18 affected communities be taken off the table. A fair funding formula for child care mustn't take from one community and give to another. All communities need to be raised to a decent level of funding. The affected communities include Sudbury, Kingston, London, Windsor, Chatham-Kent, Thunder Bay, Sault Ste. Marie, Kenora and others.

Families now need access to affordable, high-quality, not-for-profit child care programs. In order to meet the needs of Ontario families, child care programs need to move from patchwork funding to stable funding. Last year, the Liberal-NDP budget deal provided one-time funding of \$242 million over the next three years for child care. This funding was only one third of what was needed to stabilize our current programs. So we're asking now for a further investment of \$300 million to municipalities that must be used as base funding to reduce the high cost of child care and stabilize the wages of our staff.

In order to move to a system of stable funding, provincial funding for child care needs to be adjusted for inflation every year. Provincial funding has not been adjusted for inflation in over 15 years, so every year, child care centres raise our parent fees. We're not able to pay competitive salaries and many of our qualified staff leave the child care field to work in other sectors to earn better wages and benefits.

According to new research from the Child Care Human Resources Sector Council, Ontario child care fees are the highest in Canada. The same research shows that Ontario was the only province where wages went down. In Ontario, between 1998 to 2012, the average wage for child care program staff dropped by 2.7%. Imagine a profession where we should be honouring the individuals and the professionals, and the wages are going down.

1650

We're here today to ask the government to focus on building a strong system of early learning and child care. Parents want stability for child care so that they can focus on working, going to school and doing the best that they can for their families. As a child care sector, we don't want to lurch from crisis to crisis, returning to this committee year after year with the same message. We want you to start to build a strong, viable, healthy child care system.

Along with adequate and stable funding, early learning and child care programs want to build a system that will really help Ontario's families and Ontario's economy. We believe that the government must build a system that only provides licences to not-for-profit, public and aboriginal operators.

We want to move from patchwork funding to a stable system, so we are asking that all child care funding be indexed to inflation as a minimum. We're asking that you provide adequate provincial funding to municipalities to ensure that child care fees do not increase and, in fact, start to go down, and we're asking that funding be provided to raise wages to ensure that our qualified staff stay in the field. Both of our neighbouring provinces, Quebec and Manitoba, have actually increased their child care wages and established province-wide pension plans for the sector. We can do this in Ontario, and we should do this in Ontario.

We're also asking to develop a provincial funding plan to invest in capital funding for current not-for-profit centres and to expand the supply of not-for-profit child care centres, and further, to implement an immediate moratorium on licensing of for-profit child care in Ontario. Children should not be for-profit.

It is time to harness the power of high-quality child care to transform our province. High-quality child care can improve the lives of children, not just for today, but for their whole lives. High-quality child care can improve the lives of families, helping parents maximize labour force participation and balance work and family lives. Finally, high-quality child care boosts our economy, and it pays for itself. The research has been done. We're asking you to harness the power of the child care system for a better Ontario for children, our families and our economy.

The Chair (Mr. Kevin Daniel Flynn): That's great, Sheila. Thank you very much. You've left just over five minutes for questions, and they go to the NDP. Catherine?

Ms. Catherine Fife: Thank you very much. Thanks, Sheila, for the presentation. It must seem a little bit like déjà vu. Every year, right?

Ms. Sheila Olan-MacLean: Absolutely.

Ms. Catherine Fife: It's shocking that the province of Ontario is where we are right now with regard to investment in children, especially when the return on investment for every dollar in child care is a return of \$7.00—and the research is there.

Clearly the child care community has struggled, though, to adapt to the rollout of the full-day kindergarten because there was no clear implementation strategy; that plan was not thought out. When you implement the full-day kindergarten into a system which is already destabilized and broken, obviously—we're seeing the effects, as year three rolls out for full-day kindergarten, on these 18 centres.

Have you given any thought or strategy around making use of the current infrastructure? Because I know the capital money—you've been asking for capital money for a long time. In these conditions, I think that you're going to be asking probably for another year. But the current infrastructure in schools is there. Waterloo district school board and Ottawa-Carleton—they've incorporated child care centres into those sites where

there's space. Is the coalition doing any work or monitoring the success of those programs at all? Do you know?

Ms. Sheila Olan-MacLean: That is across the province. We are working with school boards—child care and school boards working together with the provincial representatives as well to increase child care where possible.

Unfortunately, where the greatest number of children are, there's no space in schools because the greatest number of children are in those schools. So often what happens, particularly in rural areas where I'm from, is that it's the density of the number of children who are in those programs, so when we apply urban principles to the funding for the rural programs, there is a disconnect and they aren't viable. I think that we need to look broader, beyond just the schools. Absolutely, I think that's an opportunity that we need to work on and that we need to continue to, but also we need to have a focus on zero-to-four, and I think we need to step back.

The province has done a good job of setting the foundation philosophically for an early learning system of care. Now we need to move forward and put in place the spaces, because families out there are struggling. I know that in our organization, we have hundreds of calls from families desperate to get child care.

We also have a new phenomenon in our society where grandparents are taking on the role of parent. We had a grandmother last week who had just taken in her two grandchildren. There's no child care available for her.

Ms. Catherine Fife: Your focus, obviously, is on not-for-profit because it's tied to quality, but are you seeing an influx of for-profit child care in the province of Ontario, given the fact that there's no leadership at the provincial level?

Ms. Sheila Olan-MacLean: That is where the growth in child care is right now. Again, though, it is in the urban areas where the profits can be made.

Ms. Catherine Fife: So rural communities are still left out of the equation, right?

Ms. Sheila Olan-MacLean: Absolutely.

Ms. Catherine Fife: Okay. Well, that's good. These 18 communities, they're pushing back, and hopefully people are listening around the table. Thank you very much, Sheila.

Ms. Sheila Olan-MacLean: Thank you so much.

The Chair (Mr. Kevin Daniel Flynn): Anything, Michael? You've got about a minute and a half.

Mr. Michael Prue: Yes, there was just one comment you made, and I just wanted to maybe have you expand upon it. You said, "Last year, the Liberal-NDP budget deal provided one-time funding of \$242 million over the next three years for child care. However, this funding was only one third of the money." You do recognize that that's as much as we could get from the Liberals by holding their feet to the fire?

Ms. Sheila Olan-MacLean: Absolutely, yes.

Mr. Michael Prue: It wasn't what the NDP would have done—

Ms. Catherine Fife: It wasn't our budget.

Mr. Michael Prue: It wasn't our budget.

Ms. Sheila Olan-MacLean: Right, yes.

Mr. Michael Prue: Okay. You do acknowledge that?

Ms. Sheila Olan-MacLean: Oh, absolutely.

Mr. Michael Prue: Okay, because it was very difficult. You know, when you're trying to negotiate, when you're trying to push a government that's not your own to do something that they should have done themselves, sometimes you have to settle for second-best measures.

Ms. Sheila Olan-MacLean: Absolutely, and I think it's time to sort of step back and take a look at the kind of Ontario that we want to create, and I think it needs to start with our children.

Mr. Michael Prue: If this government does the same thing in this year's budget, do you want us to do the same kind of stuff?

Ms. Sheila Olan-MacLean: Absolutely.

Mr. Michael Prue: Thank you, then. Okay.

Ms. Sheila Olan-MacLean: Thank you so much.

The Chair (Mr. Kevin Daniel Flynn): Thank you. Thanks for coming today.

ANGLICAN DIOCESE OF TORONTO

The Chair (Mr. Kevin Daniel Flynn): Our next speakers are from the Anglican Bishops of the Diocese of Toronto. Murray and Linda, if you'd come forward. Make yourselves comfortable. Fifteen minutes for the delegation, and if there's any time left at the end, we'll go into a bit of a question-and-answer routine. The questions this time, if there is any time, will come from the Liberal Party. The floor is all yours. Welcome.

Bishop Linda Nicholls: Thank you very much. We appreciate the time and the opportunity to have a dialogue with you.

We represent some 400,000 Anglicans in the diocese of Toronto and some 800,000 Anglicans across the province of Ontario. Anglicans are very familiar with the needs of the poor. Many of our congregations include people living in poverty, and others from our communities come to us for support and help—more and more in recent years as conditions worsen. A recent survey found that 99 parishes in our diocese—nearly half of all of our parishes—are involved in food bank or food hamper programs, while 56 parishes run or are involved in community meal programs, and 15 participate in Out of the Cold programs.

At the very heart of who we are is a deep commitment to compassion, justice and equality. The front-line work speaks to a disturbing trend; we are seeing deepening poverty and hardship across our society. These statistics focus around two basic needs: food and housing. More than 400,000 Ontarians turn to food banks each month in order to eat—the highest number yet recorded in this province, and increasingly, the working poor, not only those on Ontario Works. Many food banks struggle to keep up with the demand. Meanwhile, the number of people waiting for decent housing that they can afford has also hit an all-time high, with some 156,000 Ontario

households on waiting lists for affordable housing—an increase of 26% since 2007.

1700

We are deeply grateful that in 2008 all the parties came together to unanimously support the Poverty Reduction Act. Some progress was made in the initial years, but that seems to have stalled. We have participated in the social assistance review that has noted the problems increasing once again.

We often hear that the government cannot afford to do more to help the poor due to the deficit and the current economic climate, but we would wish to challenge that argument, for the costs of austerity are not shared fairly. This, for us, is a moral issue. The costs of austerity affect people in poverty far more than affluent Ontarians. It increases cost for government through higher costs for health care, criminal justice and the like.

We are seeing some signs of hope, and we are encouraged by the commitment of the government to social justice and a fair society. We're encouraged that Finance Minister Sousa has not ruled out tax increases in the upcoming budget. In fact, last fall, when we began to raise this among our colleagues and parishioners, I was personally surprised by the strength of support for people who said, "I would be prepared to pay more taxes if it meant it was going to alleviate poverty, deal with the housing crisis and was being dealt with accountably and fairly." We do feel that fair, modest tax increases are needed to provide additional help for the poor, and we have four key areas that we would like to outline to address this. Murray?

Mr. Murray MacAdam: I'll outline the four specifics we are advocating for, but I do want to mention, first of all, that the Poverty Reduction Act aroused a lot of hope in the province and it comes up for renewal. We feel there really needs to be a recommitment to that Poverty Reduction Strategy. There's a long, long way to go.

The four specific proposals we want to urge the government to implement in the budget are in the vein of being a beginning for that renewed Poverty Reduction Strategy that we need.

The first proposal: We add our voice to those of many others who are advocating for a \$100-a-month increase for people on social assistance. It's impossible to survive on the \$606 those people receive now. The social assistance review commission supports this proposal.

We do want to mention as well, though, that we oppose funding this increase through the elimination of the special diet allowance. That's really a separate program for people who have health needs. They have to purchase special foods, so the \$100-a-month increase needs to be financed without reducing the special diet allowance.

The second proposal, which we know has support from all the parties, is enabling people on assistance to keep the first \$200 of any extra income they might receive each month without their benefits being reduced as a result.

The third is that we want the government to honour its earlier commitment to raise the Ontario Child Benefit

this summer by up to \$1,310 per child. This is a very effective program for helping low-income families.

The fourth recommendation we have is to raise the minimum wage this year to \$11.50 an hour. We've gone three years now without an increase in the minimum wage. It's a basic premise of dignity and fairness that somebody who's working full time should be able to have an income that brings them at least up to the poverty line.

Of course, there are lots of hidden costs involved with the working poor. We find that more and more of the people who come to our parish food bank and meal programs are working, but they simply can't meet all their needs.

Bishop Linda Nicholls: We know that all of the parties want to support the dignity and fairness for each person in our Ontario society. So if we believe that's a value we all share, how are we going to make that a reality? And how can we share the resources of our province fairly?

We recognize the tensions with the economic climate but we believe the balance needs to be adjusted. By putting some money back into the pockets of the poor and the working poor, we believe that that will have a positive impact on our economy. And we believe that that is a direction we should be heading.

We'd like to now finish and open it for a conversation with you.

The Chair (Mr. Kevin Daniel Flynn): Wonderful, thank you very much. I appreciate your brevity. You've left almost seven minutes for questions. Any questions? I think they heard you loud and clear.

Mr. Michael Prue: That wasn't much of a conversation, was it?

Mr. Steven Del Duca: It was a great presentation.

The Chair (Mr. Kevin Daniel Flynn): It was. Very good. Thank you very much. We appreciate that.

Bishop Linda Nicholls: Thank you.

CANADIAN BEVERAGE ASSOCIATION

The Chair (Mr. Kevin Daniel Flynn): Our next delegation today is from the Canadian Beverage Association, Jim Goetz. Jim, do you want to come forward? It's good to see you. Have a seat. You get 15 minutes like everybody else and if there's any time left—as there was there—for questions, those questions this time will come from the Progressive Conservative Party.

Mr. Jim Goetz: Thank you, Mr. Chair. Let me begin by expressing my gratitude for the invitation to appear today as part of your pre-budget consultations. My name is Jim Goetz and I'm the president of the Canadian Beverage Association, representing the non-dairy, non-alcoholic beverage sector.

As you may have seen from our written submission, our industry makes a substantial and ongoing contribution to the economic life of Ontario. Our member companies provide direct employment for some 5,000 Ontarians and are responsible for thousands of additional

indirect jobs throughout the province. I would add that the vast majority of these jobs are unionized, with good benefits and solid pensions.

Ontario is also our industry's largest Canadian centre for manufacturing, distribution and sales. In total, we have more than 50 facilities province-wide. I want to underscore this fact because at a time when Ontario is working hard to renew its competitive position, as a manufacturer, our industry remains a reliable partner. And that's not nearly the whole of our economic contribution.

Our members are also one of the largest blocks of consumers for corn products in the province, creating vital demand for our Ontario corn farmers. They are also the country's largest buyers of packaging aluminum, as well as PET plastic.

Finally, our members oversee extensive vehicle fleets that create demand for steel, manufacturing, parts and, of course, vehicle production and assembly here in North America, and particularly in Canada.

Of course, our contribution is realized in not only commercial but also community terms. CBA members participate in the places we live through a wide variety of charities and local causes. From the United Way to Special Olympics, from Participation to building local playgrounds, our industry enthusiastically dedicates millions of dollars and untold volunteer hours each year. We're proud of these contributions, but we're also aware that as an industry, we bear important responsibilities.

1710

I want to assure each member of this committee that we take these obligations very seriously especially when it comes to offering consumers a healthy balance of beverage choices. Particularly, we go to significant lengths when and where it concerns children. For that reason, CBA members have voluntarily adopted guidelines to prohibit the marketing of any beverages, except those that are 100% fruit, vegetable, milk or water, to children aged 12 and under. We have also removed all full-calorie soft drinks from primary, middle and secondary schools—again, voluntarily and put into place well before there were provincial guidelines.

Finally, we've implemented our Clear on Calories campaign. It greatly increases the front-facing, on-label nutrition information for our products. This gives parents the single best tool they can hope to have in the effort to ensure balanced beverage and diet choices, and that is clear, understandable information.

I want to focus for a moment longer on this issue and comment on the recent Healthy Kids Panel report. The CBA and its members embrace the goals of the Healthy Kids Panel, and we endorse many of the report's conclusions and recommendations. We cannot agree, however, with its assertion that sugar-sweetened beverages are uniquely responsible for the rising rates of obesity among children. This is simply not true. In fact, based on the mountain of scientific studies in the examination of this issue, there is very little to suggest this conclusion is accurate.

Health Canada openly refers to the causes of obesity as complex, pointing to eating habits, daily physical activity and broader social and environmental determinants. In support of this argument, let me highlight just two facts. First, obesity rates have risen when we've actually seen soft drink consumption fall by significant margins. According to Statistics Canada, between 1999 and 2011, obesity rates have climbed by 2.3%. Yet during that same period, soft drink consumption fell by 31%. If our products were uniquely responsible for this challenge, those figures would be dramatically different. We would be witnessing huge declines in the incidence of obesity.

Second, according to the 2004 Canadian Community Health Survey, the most recent available information by Stats Canada, of the total calories consumed by Canadians, soft drinks account for only 2.5%. Moreover, as you've just heard, consumption has dropped so much in recent years the current true figure would lie somewhere around 2%.

I want to emphasize: We recognize that we must be part of the shared effort, and we're very committed to doing our part. But remedies that arise from a misreading of those true challenges will only turn out to be lose-lose. A hoped-for result related to obesity fails to materialize, but negative economic impacts become all too real.

Denmark found this out when, in October 2011, it brought in a so-called fat tax across the board on a wide variety of food and beverages. It was introduced with widespread support. It has already been scrapped after immediate and disastrous economic results. First of all, no behavioural change was detected in terms of consumption habits, but the tax did cause the loss of 2,400 manufacturing jobs, drained about \$37 million from the already small Danish economy and ignited cross-border shopping. Denmark reminds us that there are no shortcuts or no quick fixes when it comes to tackling the problem of obesity. Education, information and ongoing promotion of healthy, active lifestyles constitute the true answer.

At the Canadian Beverage Association, and our members, we're more than prepared to keep working in partnership with the government of Ontario in pursuit of these common goals. On that note, I bring my remarks to a close. Thank you again for the opportunity to appear. I look forward to your questions.

The Chair (Mr. Kevin Daniel Flynn): Thank you very much, Jim. It goes to the Conservative Party. Peter, you've got about six minutes—six and a half minutes.

Mr. Peter Shurman: Thank you. I don't know what to ask you, and that's the first time I've said that in all of the days of hearings. The reason is your presentation really—unlike most of the ones that come before us, doesn't contain any asks. You seem to have used your opportunity—and that's fine—to provide us with information that suggests that childhood obesity, while being recognized by your association as a problem, is not accepted by your association as a problem that you have

in any way caused—quite the contrary. Am I interpreting you correctly?

Mr. Jim Goetz: To answer your first question, we don't have an ask. We asked to appear here today and participate in the process because there has been, I would say, a chorus of folks who believe that taxing or putting significant restrictions in place on one particular type of product is going to have some kind of impact on obesity rates in Ontario.

Mr. Peter Shurman: So the concern that you're expressing really—and I was reading between the lines and now you seem to be confirming it, so don't let me put words in your mouth and let's get this on the table, is, you're concerned about the go-forward, where a government of some stripe might say, "This is the single contributing factor," or, "This is a major contributing factor, and we're going to penalize it in some way." Is that what you're saying?

Mr. Jim Goetz: That's correct.

Mr. Peter Shurman: Okay. Well, I have nothing more, then. Thank you very much for that.

Mr. Jim Goetz: Thank you.

The Chair (Mr. Kevin Daniel Flynn): Thank you very much, Jim. Thanks for coming today; we appreciate it.

Mr. Jim Goetz: That's great. Thank you.

ONTARIO REHAB ALLIANCE

The Chair (Mr. Kevin Daniel Flynn): Our next delegation today is from the Ontario Rehab Alliance. Nick Gurevich and Laurie Davis, if you'd like to come forward, make yourselves comfortable.

Mr. Nick Gurevich: Good afternoon, everyone.

Ms. Laurie Davis: Good afternoon.

The Chair (Mr. Kevin Daniel Flynn): Good afternoon. Like everybody else, you get 15 minutes. Use that any way you see fit. If there's any time left at the end, the questions will go to the New Democratic Party.

Ms. Laurie Davis: Thank you very much. It's a pleasure to be here. I'm Laurie Davis, the executive director of the Ontario Rehab Alliance.

The Ontario Rehab Alliance was formed in 2009. We're a not-for-profit association representing more than 90 service provider organizations employing more than 3,500 health care professionals. It's these health care professionals who are the primary providers of health and rehabilitative services to Ontarians after they're injured in an automotive accident.

Although auto insurance is complex, the alliance sees it as comprised of essentially three pillars or facets.

Premiums: We know that consumers want and deserve reasonably priced insurance.

Profit: We understand that insurers are entitled to make a profit and a return on their investment.

Protection: Accident victims must be properly protected by the insurance they purchase, which is in fact the premise of any insurance scheme.

Subsequent to the changes to auto insurance in September 2010, these three pillars, we think, have been seriously out of balance. The last reform concentrated on ensuring the profitability of the insurance companies by reducing the coverage and benefits offered to victims. The result was exactly that. Insurer profitability has hit record levels while the protection of victims has been reduced to the second-poorest in Canada, with no relief in the cost of premiums paid by consumers. We believe there is more to fixing the system than merely changing the cost base of insurance companies. While we believe that premiums can and should be lowered, we believe that changes to address the serious protection deficits in our system can be accomplished while still maintaining profitability.

I'll just summarize for you some of the impacts that the changes in 2010 brought about by way of giving you some background for these remarks.

A minor injury guideline, or a MIG as the acronym would have it, which limits benefits to \$3,500—the lowest in Canada of a minor injury guideline—was put in place in 2010, but 80% of all motor vehicle accident injuries fall into this category.

While most service providers agree that a minor injury guideline makes sense and can work well, we believe this guideline is flawed because there's no clear path out of it for those who are relegated to it inappropriately, and it happens a very great deal.

Changes were also made to coverage available for those with serious injuries following an accident. It was reduced for serious non-catastrophic accidents from more than \$100,000 to currently \$50,000. As a result, it's estimated that potentially thousands of people with serious injuries are exhausting their benefits in six months to a year post-accident—well before they've had a chance to recover.

Without ongoing support, these individuals will not improve and in fact are likely to deteriorate and may lose any chance of returning to work and resuming their pre-accident activities. Some may eventually be deemed catastrophic and have access to a higher level of benefit, but they will experience a gap in coverage of several years before the catastrophic determination is made. Whenever there is a gap in the system, these people will go to the public system for what services there are available, and they are fewer.

1720

The Financial Services Commission of Ontario—FSCO—and the Ministry of Finance are also now actively looking at changes to the definition of “catastrophic impairment” that could cut in half the number of victims who are currently able to access this higher level of treatment. This group makes up only approximately 600 victims per year, but these are the most severely impaired, suffering from spinal cord injuries, paralysis, severe brain injuries and amputations. The recommendation that FSCO presented to the Ministry of Finance, we believe, is on a collision course with the promise made in the last budget to make the definition of “catastrophic

injury” medically based. We say this because there is overwhelming consensus in the health care community that FSCO's recommendations are flawed and inconsistent with medical literature, the World Health Organization and current medical best practice guidelines.

Not only has the quantum of benefits been reduced since 2010, but barriers in access to benefits have been raised. Cancellation of the mandatory insurer examination process has resulted in a concentration of disproportionate and arbitrary power in the hands of adjusters with no prior medical training or ability to make proper medical decisions on treatment plans. The result now is that about half of all applications for health care services—these, remember, are for insured services for the seriously injured—are denied.

Mr. Nick Gurevich: My name is Nick Gurevich. I'm the president of the organization, and I will cover our recommendations.

The insufficiency of the \$50,000 coverage cap for serious non-catastrophic injuries and \$36,000 for attendant care benefits must be examined, not only in the context of actual costs to provide health care in 2013 and beyond, but also in relation to what is offered within our public system. The mandatory insurer examination, which Laurie just spoke of right now, should be reinstated following a prompt review with reference to the government's recommendations in the previous five-year review of the auto insurance system and those proposed by the anti-fraud task force report. Credentialing, experience standards and accountability must be imposed on the independent medical examiners hired by insurers who are now able to arbitrarily make these determinations. The fraud-fighting approach that has been widely discussed should and must be targeted, not characterized by a dragnet fishing strategy that negatively impacts all claimants and where every victim is treated as a fraud suspect.

There is currently little transparency and solid data in the auto insurance sector. The insurance industry supplies unsubstantiated numbers, and in some cases FSCO accepts them as fact without question. Such data is then used to drive policy decisions. Releasing the data gathered by the Health Claims for Auto Insurance system—or HCAI, as it's called—will be a very good start.

Changes to the “catastrophic” definition in the form proposed must be stopped entirely or should conform to the consensus of the health care community to ensure any changes are truly medically based.

Addressing the above recommendations would merely be a start in returning protection to a system that has seen systematic erosion to the rights of the 65,000 Ontarians who are injured every single year. Thank you.

The Chair (Mr. Kevin Daniel Flynn): Thank you. Are you open for questions now?

Ms. Laurie Davis: Very much so.

The Chair (Mr. Kevin Daniel Flynn): Very good. You've left about seven minutes, and the questions go to the NDP. Michael?

Mr. Michael Prue: Thank you very much for this. There's been a lot of discussion about insurance companies and insurance rates. The Liberal government allowed the insurance companies, a couple of years ago, to completely rewrite the Insurance Act to offer what was considered then, and even more so now, an inferior product for less money. Anybody can offer an inferior product for less money, and they did. However, they continue to charge the same rates and therefore their profits have gone way up. Should we, as a government, be insisting that they go back to providing a product that will protect those with catastrophic injuries, even though it may cost the consumer more money?

Mr. Nick Gurevich: Well, no decision has been made so far to limit what is currently available for those who are catastrophically injured. We can't return to what it was because there's been no change.

Presumably, exactly as you pointed out, if you reduce coverage, the cost base will reduce, and, of course, premiums should follow suit. Although, what we have seen in the post-2010 environment is that the benefits structure has been reduced by something like upward of 70%. It's a real gut-out. Yet we have not seen any sort of a corresponding change in the premiums that are being charged by the insurer.

Ms. Laurie Davis: But I would say that even though we haven't yet seen a change—the proposed changes to catastrophic haven't been made—the changes to 2010 did affect those who were serious but non-catastrophic. So there are, essentially, sort of three categories. Minor injuries—80% of most accidents fall within the minor injury category. We think many of them are being inappropriately relegated to minor injuries, not able to access up to the \$50,000, the new lowered threshold.

So I would say, yes, generally we think there isn't enough proper funding in this system to provide people with the treatment that they're currently paying for.

Mr. Michael Prue: We have seen the insurance industry is arguing, of course, the opposite. But they sent out a wonderful glossy brochure this past week, which they sent before they had a lobby day here at Queen's Park. It shows that since 1975 they have averaged a 9.5% profit each year. In fact, in the last three or four years they've done the same. Are they making enough money that they should be providing better service, in your view?

Ms. Laurie Davis: We think there should be better service provided.

Mr. Michael Prue: Also, I asked questions of them. They say that there's a lot of fraud in the system. I asked them what some of that fraud was, and rehabilitation services was one of the things they mentioned. Is there fraud in rehabilitation service?

Ms. Laurie Davis: There's probably fraud in every service, but we don't believe that there's nearly the extent of fraud in the system that we hear so much about. There's been very little data. We believe that the changes made in 2010, which were largely targeted at fraud, probably did chase—there certainly were some fraudsters

in the business, and we think they're largely out of business now. But, nevertheless, all those changes have dramatically negative impacts on all claimants, not just those who happen to go to practitioners who were using the loopholes that were in place.

Mr. Nick Gurevich: If I may add, our organization has actually participated and has worked very, very closely with the anti-fraud task force. The recommendations that they have gone on to publish, especially ones surrounding licensing and regulation of health care providers, were recommendations that we, in fact, provided. So our view is that one dollar in fraud is one dollar too much. There's definitely zero tolerance as far as we are concerned.

But, saying that, what we indicated to the anti-fraud task force, and what we will indicate to you folks, is that the insurance industry cannot keep hiding behind this straw man of fraud in order to deny or reduce benefit. It goes completely against what the insurance scheme is all about, which is protecting those who are in need at the end of the day. We have already seen some measures that have been put in place which raise barriers to access those benefits in the name of fighting fraud. That is exactly what we all should be careful of.

Ms. Catherine Fife: Just a comment: I want to thank you for including the examples in here as well, because they really tell—

Ms. Laurie Davis: We didn't read them out because we didn't think we'd have enough time, but thank you for noticing.

Ms. Catherine Fife: They tell the real story because we're all just one accident away from being in this position and needing these services. I think that we would be looking toward our insurance companies to actually support us and to follow through on the very policies that we signed up for. They are very powerful examples. Thank you.

Ms. Laurie Davis: Thank you. One of our biggest concerns, of course, is that we feel there is a lack of due process in the system. It's very difficult for those advocating for claimants, and claimants themselves, to effectively negotiate for their entitlements within the system now.

1730

Ms. Catherine Fife: Especially when they're injured, right?

Ms. Laurie Davis: Absolutely.

Ms. Catherine Fife: Especially brain injuries. Thank you.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Catherine. Thank you, Nick, and thank you, Laurie, for being here today. That was a great presentation.

Mr. Nick Gurevich: Thank you.

Ms. Laurie Davis: Thank you.

COMMUNITY LIVING ONTARIO

The Chair (Mr. Kevin Daniel Flynn): The final delegation of the day is Community Living Ontario, if

you'd like to come forward. I'm assuming we have an Alan and a Gordon, but we have somebody else. Have a seat, wherever you're comfortable.

Interjection: We'll introduce ourselves.

The Chair (Mr. Kevin Daniel Flynn): Yes, thank you. If you would make yourselves comfortable, and if you would introduce yourself when each of you speaks so that Hansard knows who it is. You get 15 minutes, like everybody else, and if there is any time for questions, it will go to the Liberals this time.

Ms. Debbie Rollier: Thank you.

The Chair (Mr. Kevin Daniel Flynn): The floor is all yours.

Ms. Debbie Rollier: Firstly, I'd like to thank the committee for this opportunity to present on some of the critical issues facing people who have an intellectual disability, and their families.

My name is Debbie Rollier. I am the president of the board of directors of Community Living Ontario. With me today presenting is Alan McWhorter, who is our interim executive director, and Gordon Kyle, who is our director of policy.

Community Living Ontario is a 60-year-old province-wide organization founded largely through parents with family members who have an intellectual disability. We represent over 100 Community Living associations across Ontario and more than 12,000 individuals and families. We advocate for government social policies to benefit people who have an intellectual disability, and their families, including protection of human rights, access to education, employment, a home in community and access to adequate support services.

We're here today to urge this committee to help Joe Chauvin and his family, Wilma Arthurs and her family, Denise Hastings and her family, and the many families who have fallen into crisis because they just can't keep going on any longer. They simply don't have the support they need for their son or daughter.

There are hundreds of families in Ontario who are nearing the crisis point or who are already there. Why are these families in crisis? In 2004, the Ministry of Community and Social Services announced that it was transforming the way that supports and services were delivered to people who have an intellectual disability. Almost nine years later, we're still plodding through the process and people are losing hope that transformation will ever result in a system that responds to their needs.

The government points to investments in developmental services in recent years. The reality is that much of the funding has gone to fund the bureaucratic tools that are needed to implement the new legislation, to maintain funding for children leaving child protection services, and to maintain the existing service system. We estimate that as little as 15% of funds announced in the past six years were aimed at addressing the needs of people waiting for support. As a consequence, waiting lists have ballooned to an all-time high of more than 20,000 people waiting for support.

Too many people—too many families—are agonizing over the futures of their sons and daughters who have an intellectual disability and what is to become of them. In newspaper articles, on newscasts, in complaints to the Ombudsman and letters to politicians, we see the growing anxiety that families are facing. The developmental services sector needs serious investment in the coming years, but in the meantime we call for immediate and cost-effective relief to families to help them avoid a crisis.

We're calling for immediate investment in supports when a son or daughter is turning 18, and the period in parents' lives when they are getting too old to provide continuing support to a son or daughter who is living with them. We also recommend the creation and implementation of a long-term plan for stabilizing the developmental services sector and meeting the current huge unmet needs for supports.

Why is immediate investment needed in the transition period when a person moves from childhood to adulthood? Special Services at Home, or SSAH, provides respite and other supports to children living at home and to adults living with their family or alone. In 2006, the ministry established the Passport program to support adults in activities of daily living. In 2012, the ministry announced that it would be eliminating SSAH for adults and that Passport would be the single program through which adults could receive direct funding for daily living supports.

Recipients of SSAH who reach 18 after April 1 of this year will have their funding cut and will have to reapply for funding under the Passport program. Given that there are currently 4,000 people waiting for support from this program, this is likely to result in people being placed on a wait-list for support with no indication of when, if ever, they're going to receive that support. This change is devastating to parents like Cathy and Maurice Chauvin who told this committee in Windsor and the Windsor Star recently how support funding for their son Joe will be cut off as of April 13 when Joe reaches age 18. While Joe requires around-the-clock support, the family's \$7,000 a year of SSAH funding provides less than 10 hours support a week. Now, even that is being taken away.

Until now, there's been no disruption in funding as people reached age 18. SSAH funding has continued into adulthood. The end of school and entrance into adult life can be a frightening time for people and their families. When it is accompanied by a cut to the services one has come to depend on, it can be like dropping off a cliff and the shock and crisis that can result is devastating for all concerned.

We urge the standing committee to recommend that there be no disruption to the support people receive as they turn 18.

What will this cost? We estimate that this change will cost \$3 million to \$4 million annually. And what will the cost be of not providing this relief? Families run ragged by trying to hold things together will reach the breaking point; families torn apart; more families forced to sur-

render their son or daughter because they don't have the support they need to keep them at home; families forced to have their sons or daughters placed in nursing homes or other expensive and inappropriate care facilities; increased future support costs as young adults left without support lose out on opportunities to develop their skills, experience and autonomy.

Why is immediate investment needed for seniors who are supporting a son or daughter who has an intellectual disability? Many parents have opted to support their son or daughter who has an intellectual disability in their home. In many cases, this is done with little or no funding for daily living support from government. There comes a day, of course, when parents must plan for the inevitable transition when they're no longer able to offer the same level of support. Because of a lack of capacity in funding and services, aging parents are living with fear and uncertainty about what lies ahead.

We call for investments to be made to ensure that any parent, who reaches the age of 65 and is supporting a son or daughter who has an intellectual disability at home, has appropriate funding and supports for their son or daughter when they are no longer able to provide care.

Why is there a need to establish a long-range plan? Community organizations that provide support are struggling to keep pace while the government continues to compound its pressure by imposing numerous additional strains. Organizations are expected to comply with many new accountability provisions under the new legislation. Meanwhile, other costs continue to grow including WSIB, pay equity, fire code compliances and other things, all with no additional funds. The result of all of this is a support system that is exhausted and has little resilience.

Each year, the sector has borrowed on its future capacity and has run out of resources to tap. Meanwhile, more than 20,000 people are waiting for funding and support from a system that has no capacity to respond. A long-term plan and investment are needed to address these issues.

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In closing, we urge the committee to recommend that provisions be made in the upcoming provincial budget so that the following three things occur:

Firstly, as children who are in receipt of Special Services at Home funding enter adulthood, there is no disruption in funding for daily living supports that they are receiving at that time and that the provision of funding through the Passport program happen immediately as the person turns 18;

Secondly, any parent who reaches the age of 65 and is supporting a son or daughter who has an intellectual disability at home will be provided with the opportunity and resources to develop a person-centred plan and that funding be specifically identified to assure senior parents that appropriate supports will be available when that parent is no longer able to provide care; and

Thirdly, that the government establishes a long-range plan to ensure that by April 1, 2020, and thereafter, every

person who has an intellectual disability, and their family, has access to the support they need to live in the community, free from poverty and in a manner of their choosing.

I will finish with a quote from Mahatma Gandhi, who said, "A society's greatness is measured in how it treats its most vulnerable."

Thank you for this opportunity to share what families in crisis across the province are telling us, Community Living Ontario, and the Ombudsman of Ontario.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Debbie. Is there anything else from the others? That's the end of your presentation?

Ms. Debbie Rollier: It is; thank you.

The Chair (Mr. Kevin Daniel Flynn): You're going to take questions? Very good. Any questions from the government side? Soo?

Ms. Soo Wong: Mr. Chair, I don't have any questions. I just want to say thank you very much for your presentation today. I know the committee has heard, in each of the stops travelling across Ontario, that the communities have expressed concerns to us. We've heard it very attentively. Thank you.

Ms. Debbie Rollier: Thank you.

The Chair (Mr. Kevin Daniel Flynn): Thank you. Thank you very much for coming today. We appreciate it.

SUBCOMMITTEE REPORT

The Chair (Mr. Kevin Daniel Flynn): We have a motion that you all have before you from the report of the subcommittee. Soo, you were going to amend it?

Ms. Soo Wong: I'm going to amend number 4.

Interjection.

The Chair (Mr. Kevin Daniel Flynn): Oh, does it need to be moved first? Okay, who's reading it in? Soo?

Ms. Soo Wong: That interested people who wish to be considered to appear—

Mr. Steven Del Duca: You have to read the whole thing.

The Chair (Mr. Kevin Daniel Flynn): You have to read the whole thing in first.

Ms. Soo Wong: Oh, okay; all right. So I'm going to move the subcommittee report.

Your subcommittee on committee business met on Friday, March 22, 2013, and recommends the following:

(1) That, pursuant to the motion adopted in committee on March 22, 2013, the committee hold pre-budget consultations in Thunder Bay on Wednesday, April 3, 2013.

(2) That the Clerk of the Committee, with the authorization of the Chair, post information regarding the pre-budget consultations in Thunder Bay on the Ontario parliamentary channel and on the Legislative Assembly website.

(3) That the Clerk of the Committee, with the authorization of the Chair, place an advertisement in a major

paper for one day in Thunder Bay in both English and French papers where possible.

(4) That interested people who wish to be considered to appear before the committee contact the Clerk of the Committee by 5 p.m.—now, should I put the new date?

The Chair (Mr. Kevin Daniel Flynn): No.

Ms. Soo Wong:—on Friday, March 29, 2013.

(5) That if all requests to appear cannot be accommodated, each subcommittee member supplies the Clerk of the Committee with a prioritized list of witnesses.

(6) That the committee authorize one staff person from each recognized party to travel with the committee, space permitting, for the purpose of pre-budget consultations and that reasonable expenses incurred for travel, accommodation and meals be paid for by the committee upon receipt of a properly filed expense claim.

(7) That the Clerk of the Committee, in consultation with the Chair, be authorized prior to the adoption of the report of the subcommittee to commence making any preliminary arrangements to facilitate the committee's proceedings.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Soo. It has been moved by Soo that we adopt that. Now, you have an amendment?

Ms. Soo Wong: Yes. I'm going to make the amendment, Mr. Chair, to item number 4, that the change is 5 p.m. on Thursday, March 28, 2013, because the 29th is Good Friday.

The Chair (Mr. Kevin Daniel Flynn): Very well. All those speaking to it?

Mr. Michael Prue: I just want to ask a question about that. For the Clerk, have you been able to determine when the ad will go in the paper? I do not want to change it to Thursday if the ad goes in on Thursday.

The Clerk of the Committee (Mr. Katch Koch): I wouldn't know that until Monday, when I contact the advertising agency. My experience is, with smaller newspapers, they are more flexible, and they can—

Mr. Michael Prue: Yes, and I anticipate them to be more flexible too, but we've run into this before in committee, where the time that is given is before the ad goes in, and I don't want this to happen here.

The Chair (Mr. Kevin Daniel Flynn): Okay, well, we could extend it to Easter Monday if you wanted to.

Mr. Michael Prue: No, I don't want to do that. I just want every effort to be made to—

The Chair (Mr. Kevin Daniel Flynn): Yes. The preference is to place the ad as early as possible, and if that results in what you're talking about, I'm sure we'll be hearing from Katch.

Mr. Michael Prue: Yes, that will be fine, and I do agree. We cannot have it on Friday; (a) it's against the law and, (b) because of the Interpretation Act, it would mean that anybody who applied after would still be in compliance with what we've said, and we'd have to take applications up until the 2nd.

The Chair (Mr. Kevin Daniel Flynn): That's right. So we'll move forward on the idea that the ad gets in early and this will all work out fine.

Are there any other speakers to the amendment?

Mr. Michael Prue: No, not that amendment.

The Chair (Mr. Kevin Daniel Flynn): All those in favour of the amendment?

Are there any speakers to the main motion?

Mr. Michael Prue: Yes.

The Chair (Mr. Kevin Daniel Flynn): As amended.

Mr. Michael Prue: Number 5, I think, is just grammatically incorrect, and I wonder if I can either make an amendment or a slight change. It should read that "if all requests to appear cannot be accommodated, each of the subcommittee members supply...."

The Chair (Mr. Kevin Daniel Flynn): Okay. We'll deem that a minor change and move forward.

Mr. Michael Prue: Exactly.

The Chair (Mr. Kevin Daniel Flynn): Okay. Any further speakers?

All those in favour of the motion, as amended? Those opposed? That motion is carried.

Ms. Soo Wong: Before we go, Mr. Chair, can I ask for the committee to give direction to staff of the Legislature in terms of research for today's and yesterday's hearings?

The Chair (Mr. Kevin Daniel Flynn): Okay. Is there anything that has come up from the members that they'd like to refer to research for some further information? Soo?

Ms. Soo Wong: Yes, I do, Mr. Chair. First things first: I thought the presentation by Molly Maid International—some of the suggestions were pretty valid. I want to have some research to get me more information with respect to which provinces or states have this type of rebate or credit—as well as internationally from Switzerland, France and those other countries that they mentioned. I want to validate what I have—this huge package that I scanned over during the presentation. I want to have some data on that piece.

The other piece is the piece involving the doctors' presentation, the cardiologists' presentation. They presented to us their submission, and they made a comment or a suggestion about their—let me see; I'm just trying to figure out where all my paper—

Mr. Michael Prue: This one submission has Dr. William Hughes—

Ms. Soo Wong: Dr. Swan—

Mr. Michael Prue:—and \$44 million—

Ms. Soo Wong: Yes, so I want to get some more data about it, to validate the data in their presentation to us. They claim that they are doing some cost-savings to the province, to the tune of \$44 million, from this ICES report.

The other piece is, Mr. Chair—this is not the first time we have heard it today; consistently, a couple of witnesses talked about the arbitration review. I believe OHA and another group all talked about—a couple of the witnesses. Can we get some kind of review about this arbitration?

Mr. Steven Del Duca: AMO mentioned it.

Ms. Soo Wong: AMO. Okay. From OHA to AMO, all have expressed concerns about the arbitration review. One group talks about the redeployment of staff; another group talks about how we need tougher languages. If the staff from leg counsel or research can help us—what are the languages that we’re looking at? Because last year, during this process, Bill 55—oh, Peter, I’m sorry.

Mr. Peter Shurman: I didn’t say anything.

Ms. Soo Wong: But your face said it all.

Mr. Steven Del Duca: It’s very expressive.

Mr. Peter Shurman: I get it all the time.

Ms. Soo Wong: Okay, I know, but several witnesses have expressed concern about the arbitration and the changes that we need to make, so I want to have some research on that information, so that when we submit a

report to the minister and to the Premier, there will be some really good data so that we can make recommendations. Right?

Those are my comments, Mr. Chair.

The Chair (Mr. Kevin Daniel Flynn): Is there anybody else with anything they need research to do anything on?

Ms. Soo Wong: I thought the report that was sent to us was very well done. I want that to be noted.

The Chair (Mr. Kevin Daniel Flynn): Okay. Well, thank you very much. Thanks for your patience today. Thanks for hanging in there. Thanks to all the delegations.

We’re adjourned until next Thursday at 9 a.m.

The committee adjourned at 1750.

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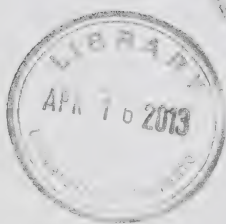
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Second Session, 40th Parliament

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Deuxième session, 40^e législature



Official Report of Debates (Hansard)

Wednesday 3 April 2013

Journal des débats (Hansard)

Mercredi 3 avril 2013

**Standing Committee on
Finance and Economic Affairs**

**Comité permanent des finances
et des affaires économiques**

Pre-budget consultations

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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRSCOMITÉ PERMANENT DES FINANCES
ET DES AFFAIRES ÉCONOMIQUES

Wednesday 3 April 2013

Mercredi 3 avril 2013

The committee met at 0901 in the Airline Hotel and Conference Centre, Thunder Bay.

PRE-BUDGET CONSULTATIONS

The Vice-Chair (Ms. Soo Wong): Okay, we're going to call the meeting to order. Good morning. We're here today in Thunder Bay for the 2013 pre-budget consultation meeting of the Standing Committee on Finance and Economic Affairs.

Sorry, my voice is really bad. I want to welcome everybody to Thunder Bay. This is hopefully our last stop for pre-budget consultation—

Mr. Steven Del Duca: Don't look at me.

The Vice-Chair (Ms. Soo Wong): Yes. I just wanted to let everybody know that the witnesses will have 15 minutes for their presentations, and if there's any leftover time, there will be questions from the committee members. It will be on a rotating basis, so the first question today is from the opposition. Can I ask the first witness—

Mr. Peter Shurman: What's our name?

The Vice-Chair (Ms. Soo Wong): Our name? Oh, yes; thank you, Mr. Shurman. I'm Soo Wong. I'm the Vice-Chair of the standing committee on finance. You wanted to introduce yourself?

Mr. Peter Shurman: No.

The Vice-Chair (Ms. Soo Wong): Okay. Mr. Peter Shurman.

NORTHWESTERN ONTARIO
MUNICIPAL ASSOCIATION

The Vice-Chair (Ms. Soo Wong): Can we have the first witness come forward? I believe it's the Northwestern Ontario Municipal Association: Iain Angus, vice-president. Could I also ask you, before you speak, for Hansard's purposes, to identify yourself?

Mr. Ron Nelson: I am Ron Nelson, the president of NOMA. I was supposed to be out of town, but due to the budget, I cancelled to ensure that I was here.

The Vice-Chair (Ms. Soo Wong): Thank you very much. Welcome.

Mr. Iain Angus: Thank you, Madam Vice-Chair and members of the committee. On behalf of the Northwestern Ontario Municipal Association, I want to start by thanking you for making the decision to hold hearings here in northwestern Ontario. We believe very strongly

that we are different from the northeast, from eastern Ontario, from southwestern Ontario and from the Golden Horseshoe—different issues and different solutions. So it's good that you're here to receive our input first-hand.

I also want to point out—and I know you flew in on a charter yesterday, so you have some sense of the distance, not to mention the wait time—that the distance from Toronto to Kenora is almost identical to the distance between Toronto and Orlando, Florida, or Cape Breton island. That's the kind of distances that we have to deal with. It takes us two days to drive to Queen's Park if we choose that route.

As you'll recall, our president, Ron Nelson, and our executive vice-president, Dave Canfield, presented to the committee at Queen's Park on March 22. We thank you for this second opportunity to meet with you and present the budget-related concerns of the northwest. The document that you have before you is the original submission made back on the 22nd; we're going to touch on parts of that, but emphasize two key areas in that.

I want to focus on one of the key issues for the northwest, and that's mining and what Ontario needs to do to make sure it happens and we benefit as a region and as a province. As you already know, northwestern Ontario is on the cusp of a mining explosion, with 250 active projects in 2011, totalling \$500 million in expenditures. That represents nearly half of all mining expenditures in Ontario last year. These opportunities are located across the northwest region, with the future's most significant project being the northwest's Ring of Fire.

Later today, I'll give you a new map that we've updated that adds some additional mines from the one that's in the document before you. We have six producing mines today. By 2020, we expect to have an additional 22 mines in operation. That's crucial because 2020 is only seven years from now.

Most of those mines are in the riding of Kenora—Rainy River—Ms. Campbell, good morning.

Ms. Sarah Campbell: Good morning.

Mr. Iain Angus: Although much of the attention of all of us has been on the Ring of Fire, that really is a future project. There are only three mines there that are going to come on stream, if all goes well, within the time frame I've talked about. The rest are happening from Emo in the southwest to Pickle Lake and Red Lake in the north and over to Marathon in the east. So there's a lot of activity throughout the region.

A study done by Lakehead University and Confederation College back in the fall for Ambassadors Northwest—and only focused on nine of those mines—quantified that there was \$135 billion worth of ore in the ground. The direct, indirect and induced employment is in excess of 23,500 jobs. A lot of those jobs will occur here in the northwest and we want to make sure that happens.

We've suffered significantly because of the decline of the forest industry. We've lost in excess of 10,000 good-paying, union jobs in this region. A lot of our folks are working out in the oil sands. They're commuting on a two-week cycle. We want them back home.

So with that, let me turn it over to Ron Nelson to talk a bit about infrastructure.

Mr. Ron Nelson: Thank you, Iain. Infrastructure investment: We believe northwestern Ontario needs to be supported in its bid to develop a strong and diverse economy through the province taking leadership in planning, developing and owning the infrastructure necessary to support the northwest's Ring of Fire development, along with the other mining ventures located in northwestern Ontario, and there are a lot of them. You will see that with the map that Iain will bring back this afternoon.

Right now, we show that there are currently 19 mines outside of the Ring of Fire in process, with the vast majority located west of Thunder Bay in the Kenora-Rainy River districts, as well as in the Thunder Bay district.

The Ring of Fire requires immediate attention, along with the other mines. We need the Ontario government to ensure that the necessary infrastructure is in place when it needs to be there.

Power is one such infrastructure component that needs immediate attention of the government, otherwise this magnificent opportunity will be lost to all. The northwest is in negotiations with the Ontario Power Authority, integrated electrical system operators and the Ministry of Energy to ensure that the power we need, when we need it, at the quality that supports our industries, is there and has a means of getting to where it also needs to be.

We have projected that out of the 22 mines shown on the map, 11 of them are scheduled to be in production by 2016. That's three years away. As the committee will be aware, that is a very short period of time when it comes to government planning, environmental assessments and approvals.

The northwest is in danger of seeing massive investments dry up if the infrastructure deficit cannot be resolved in a timely fashion. When the northeast saw its massive mining development years ago, it was because the hydro and transportation infrastructures were already in place and there was no barrier to investment in new mines.

The northwest's existing infrastructure is inadequate to meet the anticipated needs between now and 2016 and 2020. Ontario must find a way to accelerate the planning of the transmission infrastructure to ensure that these mines can be connected to the grid in time to start pro-

duction. Any delay will mean one of two things: the mines will run on diesel generators or they will not run at all and the investment will go elsewhere. Diesel generation is not something that any of us want to see because of the threat to the environment through the bulk transportation of this fuel through remote roads.

0910

Because of the numerous discoveries and mining companies involved, the northwest's Ring of Fire is a unique development in Ontario. As such, it requires a more planned, public approach than what has occurred in the past and what we believe is currently under way.

Mr. Iain Angus: There are three key factors that should drive this development being managed for the public good rather than by the private interest: Governments, not corporations, have the legal duty to consult and accommodate, according to the decision by the Supreme Court of Canada; there is currently a multitude of owners of a multitude of individual mines that are likely to come on stream over the next 10 to 30 years, each with their own independent and unique need for transportation and energy; and there are a number of remote First Nation communities whose traditional territory encompasses the northwest's Ring of Fire development area. These communities require road, electrical and telecommunications infrastructure to meet their own economic and social needs.

NOMA recognizes that the construction of the necessary transportation and energy infrastructure will be an expensive proposition. However, we have already identified that the provincial tax revenue from the northwest's Ring of Fire—plus all those other mines—over its expected life of 100-plus years will be beyond comprehension. The return on Ontario's investment will be significant.

That being said, modern technology would allow for the province to recover its initial capital outlay in building the road and/or rail infrastructure through the use of an electronic toll system that would charge back the cost per tonne-kilometre for the ore and materials utilizing the rail/road system.

It is the government of Ontario's job to make this happen, not the private sector's. The auto industry has historically received billions in government investment to support its growth and economic development. The mining industry now needs similar support through infrastructure investments that will drive the economy for decades to come.

As you consider the proposed expenditures of the upcoming budget, please remember that our communities have unique needs. One size does not fit all. On that note, we have noted with interest the Metrolinx report on options to fund public transit in the GTA. Our final request to you is that if there is any consideration of a province-wide source of funds, it be discussed with NOMA before any final decision is made.

Thank you very much for your time, and we look forward to any questions you may have.

The Vice-Chair (Ms. Soo Wong): Thank you very much. You have four minutes. Mr. Miller.

Mr. Norm Miller: Thank you for that presentation. We appreciate you taking the time to put it together.

I guess my first question is, you talked a bit about power and the need for it, that there are going to be 11 new mines coming on stream in three short years. At the same time, the government has, I guess, made a decision to shut down both the Atikokan and Thunder Bay coal-fired electricity generating stations. This doesn't seem like good planning from a distance. On the ground, is there progress happening in terms of meeting that power need?

Mr. Iain Angus: We're getting there. The energy task force, which I'm the co-chair of, met with the Ontario Power Authority, the IESO, the ministry, and then separately with Minister Chiarelli back on February 28. I can tell you that between the meetings we had on January 17 and the 28th of February, the OPA has considerably revised its understanding of the load requirements for the northwest. They are much closer now to the estimates that we've put together based on the information from the mining companies.

Where we remain at a distance is how to get that power to the northwest. The Thunder Bay generating station conversion to natural gas is on hold pending a report from the OPA to the minister on whether it's needed or not. We think it's needed.

Mr. Norm Miller: So wouldn't it be easier just to keep some power generation here versus trying to figure out bringing it in from somewhere else?

Mr. Iain Angus: Yes, it would be, and it would be cheaper. However, our analysis suggests that even with a refurbished Atikokan generating station on wood pellets, retaining the Thunder Bay GS on gas and expanding the east-west tie line, we will still be short. We need additional generation within the northwest if we are to remain an independent energy island, which we've been pretty well since day one.

Mr. Norm Miller: There's the prospectors' conference going on across the road right now, and there have been reasonably new rules to do with prospecting coming out. Have you got any thoughts about those new rules? I gather from some of the prospectors that they're not too happy with them.

Mr. Iain Angus: That's not something that we've spent any time looking at, at least not in this iteration.

Mr. Norm Miller: Okay. What about the Far North Act? Any thoughts about that?

Mr. Iain Angus: I'm going to leave it to President Ron. He's such a good boy.

Mr. Ron Nelson: Thank you, Iain. In regard to the Far North Act, NOMA has previously stated that we are not in favour of it. We have had meetings with the Nishnawbe Aski Nation, and they do not, at this point, really want to even discuss that. They basically just don't believe it. It's there and they just leave it at that.

We believe that the Far North Act—when it was originally proposed, we asked that the growth plan not be tied to any other pieces of legislation. Unfortunately, the Far North Act was tied to the growth plan. As NOMA,

with our First Nations, we basically don't endorse the Far North Act as it stands right now.

Mr. Norm Miller: I had a private member's bill, which I'm planning on reintroducing, to repeal the Far North Act. I would also certainly appreciate input on, if it was repealed, what you'd like to see to replace it. I gather some of the planning aspects are positive, but taking half of the north, 225,000 square kilometres, I believe it is, out of development—are we just about out of time?

The Vice-Chair (Ms. Soo Wong): Done. If you have a yes or no answer, I would take it.

Mr. Norm Miller: That's going to be tricky, I think. I guess we're out of time.

Mr. Iain Angus: We would look at your private member's bill once it's tabled.

Mr. Norm Miller: Certainly, your input would appreciated.

The Vice-Chair (Ms. Soo Wong): Thank you very much for being here today.

Mr. Ron Nelson: Thank you.

Mr. Iain Angus: Thank you, members of the committee.

THUNDER BAY CHAMBER OF COMMERCE

The Vice-Chair (Ms. Soo Wong): Our next witness is from the North Bay Chamber of Commerce, Michael Nitz.

Mr. Michael Nitz: Thunder Bay.

The Vice-Chair (Ms. Soo Wong): Thunder Bay; I'm sorry. Thank you very much. Good morning.

Mr. Michael Nitz: Good morning, everyone. Thank you for coming to Thunder Bay. My name is Michael Nitz. I'm the past chair of the Thunder Bay Chamber of Commerce here in beautiful northwestern Ontario. I want to thank you for holding pre-budget discussions here in Thunder Bay to ensure that the opportunities and issues of northwestern Ontario are taken into account during your deliberations.

The Thunder Bay Chamber of Commerce represents nearly 1,100 members from a variety of sectors here in the city. We have ongoing input and great engagement with our members, so we're looking forward to sharing some of our viewpoints with you today and we really appreciate the opportunity to outline these for you. Thank you for the invitation.

What you'll find through our presentation is lots of commonalities to NOMA's presentation. Really, we're looking out for the benefit of northwestern Ontario business and its people, so you may notice that there's quite a few similarities between the two.

To start off, we, the Thunder Bay Chamber of Commerce, recognize the significant fiscal challenges that are facing the province, with debt levels approaching \$300 billion. We fully support the Ontario Chamber of Commerce view that addressing these fiscal challenges is a top priority for the business community. We cannot afford the interest payments on debt that now represent the

third-highest area of program spending, after health care and education. There must be an urgent but measured response to debt reduction that balances the need to reduce debt service charges while investing in revenue-generating opportunities that accelerate economic activity.

We believe that our region presents an exceptional opportunity for fiscal growth to the entire province. Northwestern Ontario is on the cusp of a mining explosion, with 250 active projects in 2011 totalling \$500 million in annual expenditures. These opportunities are located across the northwest region and, most significantly, 500 kilometres north of Thunder Bay in the Ring of Fire.

A recent report by Lakehead University provided an overview of nine mature or near-development mines across the northwest, representing just a fraction of the overall development potential. That report calculated the value of the minerals of these nine projects at \$135.4 billion, which represents an employment opportunity of just under 24,000 jobs. In a region with a population of about 250,000, that has a huge impact, not only on our region but the province and the entire country.

0920

The tax revenues calculated for the province of Ontario over the lifetime of just those nine mines totals an astounding \$5.75 billion in new taxation revenue. There are dozens more mines in various stages of development across the region. These natural resources have the potential to be the economic engine for all of Ontario for decades to come. But there's a catch. The province of Ontario will only realize these revenues if they take the steps necessary to facilitate the development of these once-in-a-lifetime opportunities. If the government delays, this potential could be lost and the anticipated jobs and taxes would not be realized.

The province needs to address the skills gap as well. According to a recent Ontario Chamber of Commerce survey, 45% of employers in northern Ontario have had difficulty hiring personnel with the right qualifications. A shortage of skilled labour will effectively snuff out any mining boom here in Ontario.

One area that needs improvement is the apprenticeship system. The Ontario system is outdated and requires employers in the skilled trades to have an average of three qualified journeypersons for each apprentice. This 3-to-1 journeyperson-to-apprentice ratio is forcing many companies to lay off apprentices or leave apprenticeship programs vacant. We've provided in the summary an overview of various provinces and what the apprenticeship ratios are, for your reference.

In contrast, competing resource-rich economies such as Alberta, Saskatchewan and Newfoundland have implemented a one-journeyman-to-two-apprenticeship ratio for many of their skilled trades so that a maximum number of apprentices can find jobs and obtain licences in their trades.

British Columbia has transitioned to a very aggressive one-journeyman-to-four-apprentices system where short-

ages exist, while Manitoba and Nova Scotia have a 1-to-1 ratio. These jurisdictions are drawing our talent away from Ontario. Ontario must act immediately to reform our apprenticeship system to a minimum 1-to-1 apprenticeship ratio. This action will increase profitability and competitiveness and will better position Ontario for a prosperous future.

Furthermore, our chamber is advocating for a five-year pilot project that would allow northern Ontario employers to use a one-journeyperson-to-three-apprentices ratio in order to address the ever-growing skills shortage in our region. We also encourage the province to maximize the training funds provided by the federal government. The recently announced Canada Job Grant proposes a reform of the labour market agreements that would require matching funds from employers and the provinces.

We recognize that the devil is in the details and we encourage the province to ensure that they take full advantage of the funding envelope that is available from the federal government to address the training and skills needs of Ontarians.

We also remind the province of the urgent need to engage aboriginal communities in skills training programs and opportunities to ensure they can take full advantage of the benefits of economic growth. Analysis of the 2006 census data on the North Superior Workforce Planning Board website indicates that the aboriginal population is much younger than the rest of the population in northern Ontario but that they also have a much lower rate of labour force participation than the average in the region. There is much work to be done to provide the training and skills that will enable the engagement of aboriginal peoples in our growing economy.

Another step that the province must take to realize the potential of these mining opportunities is by investing in infrastructure. Mining opportunities are rarely located in developed areas but are instead found hundreds of kilometres from road, rail and electricity infrastructure. The province needs to take the lead in developing and owning infrastructure that provides the access and energy required to make these projects happen. Furthermore, the province needs to ensure that long-term, affordable industrial energy prices are in place to be competitive with other jurisdictions and encourage processing and development of these resources within Ontario.

We recognize that the development of this infrastructure will require a substantial investment by the province. The construction of one road corridor alternative has been estimated at over \$300 million. However, the \$5.75 billion in tax revenue referenced earlier clearly demonstrates that the return on this investment will be significant. Tax revenue, however, is only one benefit from infrastructure investments in northwestern Ontario.

Providing clean power to remote communities will reduce dependency on expensive and environmentally damaging diesel fuel. Roads will provide better links to communities in need of basic amenities such as food, education and medical services. Infrastructure investment

in northwestern Ontario is an investment in improving the quality of life for some of the province's most marginalized communities.

The province has a history of supporting specific industries that represent a significant economic importance to Ontario. For example, the auto industry has received billions in investment in recent decades to create and protect jobs and growth for Ontario. Now is the time for similar investment to be made in support of the mining industry to ensure economic growth and prosperity for decades to come.

The availability of energy is also of vital importance to mining development. The uncertain business environment caused by the suspension of the Thunder Bay generating station conversion last November has a paralyzing effect on growth. There is grave concern that we may be faced with a shortage of power that could lead to rolling brownouts or blackouts following the legislated discontinuation of coal generation on December 31, 2014. We call upon the government of Ontario to take urgent action to ensure that the northwest region has significant dispatchable and reliable power to meet its economic requirements and development needs.

Mining is not the only opportunity for economic growth through our natural resources. The forest industry is on the rebound and will continue to grow and prosper with the support of the provincial government. We strongly support the proposed transition measures within the Endangered Species Act, which recognize that Ontario's forest sector already provides for the needs of species at risk through the Crown Forest Sustainability Act. We look forward to the implementation of these changes as soon as possible.

We also support the proposals contained in Bill 13, Ontario Forestry Industry Revitalization Act, which would allow the use of wood in mid-rise construction for buildings of six storeys or less. This legislation will increase competitiveness in the Ontario construction industry and create demand for Ontario's wood products that support forest industry jobs and forest-dependent communities here in northern Ontario.

These opportunities cannot be realized without the permanent protection of a predictable and affordable wood supply. We encourage the government to permanently establish, through regulation, a minimum of 26 million cubic metres per year of accessible fibre for industrial use.

Thanks largely to investments from our governments, Thunder Bay's knowledge economy is also growing, resulting in millions in economic impact and many more career options for our youth. Continued strategic investments in Confederation College, Lakehead University and the Northern Ontario School of Medicine, as well as Thunder Bay Regional Research Institute and the health sector, will ensure our region continues to thrive.

The emergent health sciences economic engine becomes even more of a northern powerhouse when one considers what the Conference Board of Canada refers to as the "health enterprise." This health ecosystem includes

education and research institutions, health and life sciences industries, and health and health care organizations and governments. Since there is a strong relationship between innovation, productivity and economic prosperity, a coordinated strategy to leverage the strengths and align the goals of the regional players in the health enterprise model will help ensure our region's economic sustainability in the long term. Northern Ontario has the potential to become a leader in health innovations. Increasingly, the north has the researchers, creative entrepreneurs, health care providers and academics to catalyze this sector of our economy.

Finally, we echo the position of the Ontario Chamber of Commerce and the Drummond report, which encourages the government to make greater use of the private and not-for-profit sectors to deliver services. We support the need for a government-wide alternative service delivery audit to identify areas where the public would benefit from the introduction of alternate service delivery options.

Thank you, again, for your time and attention today.

The Vice-Chair (Ms. Soo Wong): We have two more minutes, and this round of questions is to the NDP.

Mr. John Vanthof: Thank you very much for taking this opportunity to present to us. Also, it's an honour for us to be here in northwestern Ontario. I'm from northeastern Ontario, and I know northern is northern.

Interjection: But there's a big difference.
0930

Mr. John Vanthof: One thing I'd like to—on the infrastructure side, with the government in financial restraints, you don't want to cut everything back that is actually going to make the government money. You mentioned the infrastructure, specifically transportation and power, and that it should be publicly owned or publicly financed. Could you explain that a bit?

Mr. Michael Nitz: It's an interesting point. The important part to note is that we have a ton of opportunity north of here. It's not the best place for it to be without the infrastructure in place. A lot of investors are cautious of investing in these companies for further growth if they don't see the investments made in infrastructure and whether the roads can be put in.

The roads wouldn't only be for mining. I mean, access to all these communities and providing them with the services that they should have is one other key point. Having the government fund the dollars to get the electricity and the roads up there, get the rocks out of the ground and make sure it's prosperous for all in the northwest—that's what it's all about.

Mr. John Vanthof: I take it you would agree that it would be a huge revenue generator for the government, not a drain on the government, to invest in that infrastructure.

Mr. Michael Nitz: Yes. We see it as not so much a cost, but an investment in the future, significant tax revenues that could be seen from the province, as well as federally and municipally. There are huge tax incentives to make this investment now. We understand that there

are fiscal challenges going on, but this will provide opportunities on the revenue side of the balance sheet.

The Vice-Chair (Ms. Soo Wong): Thank you very much, Mr. Nitz.

KENORA TOURISM

The Vice-Chair (Ms. Soo Wong): The next witness is Kenora Tourism: Randy Nickle. This round of questions is from the government side.

Mr. Randy Nickle: Good morning. My name is Randy Nickle from Kenora Tourism. I have an A&W business as well that I run in Kenora. I chair the tourism committee.

The economy of northwest Ontario has performed poorly over the past few years. Our region has been hit hard as the reality of our quick decline in employment in the forestry industry has closed mills, has shaken communities and has caused families to leave the region. However, even in the good years when forestry was booming, there was a marked realization across the region that more diversification is required to create economic stability in northwestern Ontario.

Within the Kenora and Rainy River districts, which are defined as the travel region of Sunset Country, tourism supports, directly and indirectly, over 12,000 full-year jobs, \$451 million in economic activity, wages and salaries in excess of \$393 million, and \$185 million for federal, provincial and municipal taxes. There are approximately 440 tourism accommodation businesses within the region. In fact, 43% of outdoor tourism income in northern Ontario is generated in northwestern Ontario, and most of that is in the zone west of Thunder Bay called Sunset Country.

Tourism in Sunset Country is heavily reliant upon our American neighbours. American visitors to the area contribute almost 80% of all tourism expenditures. In economic terms, tourism in Sunset Country is a wealth-generating industry. The only real exception to this US trend is in Kenora, where Manitobans are attracted to the area to cottage and enjoy Lake of the Woods. After the mill closures, it has been this group of tourists that has carried the community and prevented economic collapse.

This, ladies and gentlemen, is why it was nothing short of shocking to live the past year with the government of Ontario very deliberately beginning to strip the region of its tourism investments. We closed all three of our tourism centres and shut down a provincial park. The Fort Frances border crossing, which sees more than 400,000 US visitors every year, has no tourist centre. In fact, the town currently has to have students standing in the parking lot of Canada Customs, handing out brochures. This is done under an umbrella in the rain and in the sun while the tourism building next door remains closed.

A year after the unexpected closure, the government can't even organize itself to issue the order in council to sell the building to the town—not that the province is willing to cut anyone a break here; you're asking for over

\$300,000 for that tourism centre. I'll ask to take a look at the picture that now greets visitors to our region. I feel a passion for northwestern Ontario, and the neglect and disinterest is just hard to discuss without getting a little upset.

That was last year, when the budget was passed with the blessing of the NDP and sacrifices were made in the Kenora–Rainy River riding while parks and tourist bureaus stayed opened in two Liberal-held ridings to the east of us. But this is this year, so I'm here to ask you, going forward, how are we going to rectify this?

The city of Kenora had built an interpretive centre to help visitors learn about the lake and lifestyle of Kenora and Lake of the Woods. Now the Kenora discovery centre has had to convert its functions into a greeting and brochure centre. In 2012, we had to service 7,000 more visitors. This affects our staffing costs, our building occupancy costs and the hours that we must provide service. Kenora, Fort Frances and Rainy River all should receive grants to help them staff their centres. Fort Frances should immediately be given the centre at the border, in my opinion, for a dollar, and all three should be helped with occupancy costs for the next few years as transitional funding.

Tourism rolls in northwestern Ontario on tires. Our tourists use roads to access our cities, towns and resorts. Both the Drummond report and the Rosehart report suggested that the Trans-Canada Highway be twinned from Manitoba to Kenora. Many times, and in particular throughout the summertime on Fridays and Saturdays from May to November, the highway becomes a bottleneck, dangerous and difficult to navigate. The province and the federal government agreed to twin a section of this highway in 2009. You'll note in the handouts that I provided the announcement that was made in 2009. But now it is nearing the summer of 2013 and the highway remains exactly as it was. The federal government remains committed to the project but the province has been silent. As you deliberate on the 2013 budget, we request that you remain committed to the spending promised back in 2009. The feds are ready but are asking now for the province to show them they have the money.

As a region we've been working hard to diversify. All our communities have limited resources. NPAC rulings have decreased the tax base and while we are hopeful, new mines have yet to be opened. We need tourism to help see us through these tough times, to provide employment and as a way to transform our economies back into prosperity. Thank you.

The Vice-Chair (Ms. Soo Wong): Thank you very much, Dipika?

Ms. Dipika Damerla: How much time do we have, Soo?

The Vice-Chair (Ms. Soo Wong): Twelve minutes.

Ms. Dipika Damerla: We have 12 minutes for questions?

The Vice-Chair (Ms. Soo Wong): Yes.

Ms. Dipika Damerla: Okay, excellent.

Mr. Randy Nickle: I tried to keep it short and sweet.

Ms. Dipika Damerla: Thank you, Mr. Nickle, for coming today. I understand you were the PC candidate in the 2011 election?

Mr. Randy Nickle: I will be the PC candidate—

Ms. Dipika Damerla: Oh, you will be—

Mr. Randy Nickle: —in the next election, yes.

Ms. Dipika Damerla: I just wanted to ask you a very quick question. I heard you say that tourism actually jumped by 7,000 visitors, so to me that's good news.

Mr. Randy Nickle: Yes.

Ms. Dipika Damerla: I was just wondering if you could explain what the underlying cause was. Was it that the province is advertising better? What are we doing right that it has gone up by 7,000?

Mr. Randy Nickle: Well, in the situation of Kenora, as I mentioned, there is a discovery centre that was built in the city proper to promote the area and help get people to stay over on a longer period of time. But I'm going to say that one of the direct benefits of closing the Manitoba tourism centre by the province—it was the TIC at the time, the tourist information centres. It's right at the Manitoba border as you come in; that would provide Ontario tourism information. With that being closed, people that were looking for information had to come into the community to get it, at substantial cost to the community.

Ms. Dipika Damerla: Sorry, I didn't understand that. You're saying that the volume increased because people were sort of forced to drive into Ontario to get the information?

Mr. Randy Nickle: That's correct. With the—

Ms. Dipika Damerla: So that seems like a good strategy to me, to drive traffic in, right?

Mr. Randy Nickle: I don't think that it's a poor strategy. The problem is that we don't have the operational dollars and the staffing dollars to facilitate that, and that's the same case in Rainy River and Fort Frances.
0940

Ms. Dipika Damerla: Sorry. You don't have the dollars to service the increase in tourists? Is that what you're saying?

Mr. Randy Nickle: That's correct.

Ms. Dipika Damerla: But don't the tourists come in—could you give me an example of what the cost would be to service the tourists? Because I'm assuming this is good news. You want to promote tourism. You have 7,000 more visitors; they're spending money. I'm just trying to understand what the challenges are here.

Mr. Randy Nickle: Well, again, I don't believe all three of the communities that are involved right now—last year, when the announcement was made, it was made without consultation at the—

Ms. Dipika Damerla: Sorry. Which announcement are you talking about?

Mr. Randy Nickle: The closing of the tourism information centres in the three communities.

Ms. Dipika Damerla: Right. But what I see is that despite the closing of those tourism information centres—and my understanding is that they were closed.

What I'm trying to clarify is that in today's world of the Internet, very few people actually walk in. Most people, before they come, Google; they know where they are going. That's the reason those were shut down. In general, that was the principle behind shutting them down in Ontario.

But what I'm hearing from you is, regardless of whether we have those tourist information centres or not, volumes have increased by 7,000. I'm trying to understand what the problem is.

Mr. Randy Nickle: The problem is, who's funding that?

Ms. Dipika Damerla: Sorry. Who's funding what?

Mr. Randy Nickle: Who is funding the operations of the facility? So in Kenora, for instance, we had over \$30,000 extra expense added to our budget this year for toilet paper, paper towels, hand soap, cleaning. That didn't include the extra staffing that we needed to put on to pick up the extra people coming in.

Ms. Dipika Damerla: You had a question?

Mr. Steven Del Duca: I do.

Ms. Dipika Damerla: I just wanted to finish this train of thought, and then I'll pass it over to my colleague.

I'm still trying to understand. The 7,000 tourists are coming in, they're spending dollars, but the city is picking up the tab for something. That's what you're trying to say, I think.

Mr. Randy Nickle: That's correct.

Ms. Dipika Damerla: And I'm trying to understand, what is that tab that the tourists are not paying for? What is it that they would be using?

Mr. Randy Nickle: I guess where my frustration comes in trying to represent northwestern Ontario, diversifying our economy, working on tourism, is that here we are, and 100% of the tourism centres in our area were closed.

Ms. Dipika Damerla: But how would opening them help you with the costs of servicing the 7,000 more? I don't understand the link. What I'm seeing is that despite the closure, volumes of tourists have increased.

Mr. Randy Nickle: Right.

Ms. Dipika Damerla: Your concern is that, for some reason, the city can't cope with these visitors. So I'm not quite clear how reopening the tourism centres, which is really bricks and mortar, as opposed to an online system of providing tourist information, would help your cause of picking up the tab for having tourists in the area. I don't understand how that's the solution. That's what I'm trying to say.

Mr. Randy Nickle: Right. Well, we just look at it and say, "Let's treat all visitor information centres across the province the same." In northwestern Ontario, we feel a huge slap in the face for all three of our tourism centres being closed last year. The points you bring up about people travelling and having Google and doing all their research ahead of time: Is that how we treat all the tourism centres? It wasn't last year. Again, for we who are trying to diversify our economy, it didn't really make a lot of sense to us either. When you're talking about

dollars and cents and who should be responsible for it, in all other regions in the province it's the provincial dollars that are helping facilitate tourism information centres. That's not the case in northwestern Ontario.

Ms. Dipika Damerla: And all I'm saying is, the reason that was done was probably they did studies that showed that we don't need a tourism information centre in certain areas, and you still get the—all I'm trying to say is that as long as tourism is thriving here and that is what you want, I'm not sure why there's so much focus on having those centres when tourism is growing despite not having those centres. But I'll rest my case here because I know that Steven has some questions.

Mr. Steven Del Duca: Thank you so much for sharing your time.

Mr. Randy Nickle: Typically, with tourism studies or any studies, it's usually over a period of time. I think that our member of provincial Parliament can attest that last year definitely there didn't seem to be much information provided on studies that would show that we shouldn't be funding tourism information centres in northwestern Ontario.

Mr. Steven Del Duca: Thank you, Mr. Nickle. Just a quick question: You mentioned near the end of your presentation concerns in this part of the province around some MPAC rulings. Can you elaborate a little bit on that, please?

Mr. Randy Nickle: The MPAC rulings are just situations where the forestry industries that we have, the forestry businesses that we have right now in the province, have been appealing with the decline in the wood industry. The rulings have been coming in that have been very detrimental to the communities involved. Dryden was one that just most recently had a ruling; Weyerhaeuser in Kenora right now is in a similar situation. These industries have just been looking at MPAC and asking for new rulings on what their taxable incomes would be. It has been terrible for the community. Again, we're looking to try and diversify and spread out our opportunities for success. This is just something that's really important. The tourism aspect is really important.

Mr. Steven Del Duca: So is that an issue that the businesses are having or the municipalities are having?

Mr. Randy Nickle: Municipalities.

Mr. Steven Del Duca: Thank you very much.

The Vice-Chair (Ms. Soo Wong): Thank you very much.

NEW STARTS FOR WOMEN

The Vice-Chair (Ms. Soo Wong): Our next speaker is New Starts for Women. Kathy Campbell is tele-conferencing.

Ms. Kathy Campbell: Hi.

The Vice-Chair (Ms. Soo Wong): Hi, Kathy.

Ms. Kathy Campbell: Hello.

The Vice-Chair (Ms. Soo Wong): It's Soo Wong, the Vice-Chair of the standing committee. Sorry, I have a bad voice.

Ms. Kathy Campbell: Yes.

The Vice-Chair (Ms. Soo Wong): Anyway, you have 15 minutes to do your presentation and I will let you know at the two-minute mark. The next round of questions will be the PCs, the opposition party. Okay?

Ms. Kathy Campbell: All right.

The Vice-Chair (Ms. Soo Wong): Thank you. You may start.

Ms. Kathy Campbell: Okay. Good morning and thank you for the opportunity, first off, to provide this input during the consultations. I'm Kathy Campbell, the executive director of New Starts for Women women's shelter in Red Lake. Red Lake is also the secondary service centre for remote First Nations communities. Red Lake is located about 175 kilometres north of the Trans-Canada via a secondary highway. It's also 555 kilometres northwest of the largest service centre of Thunder Bay. There are no roads leading to the northern communities we provide service to, except unpredictable winter ice roads that deliver supplies to these communities. The majority of communities that New Starts for Women services do not have adequate services to address the diverse needs of abused women and their children. This is illustrated in the demand that is placed upon the shelter to provide a full range of services for women.

Our shelter is a member of the Ontario Association of Interval and Transition Houses, in which I am a very active member of the social justice and action/anti-racism anti-oppression committee. I was a member of the minister responsible for women's issues' Domestic Violence Advisory Council. I'm also the secretary for the Red Lake non-profit housing board and I sit on numerous committees in the community as a representative of the only woman-centred organization and often the voice of women who are survivors of violence.

I believe it's every woman and child's human right to have freedom from all forms of violence. There is much that needs to be done to reach the goal of protecting this right for women and children in Ontario. I would like to address specifically the violence-against-women issues and how financial support is needed to eliminate violence against women. I don't intend to burden this presentation with statistics that support my argument. These current statistics are in the document provided to you, Second Stage Housing in Red Lake: Needs Assessment and Cost Analysis. I'd rather focus on the personal aspect of women's poverty—the lack of housing, child care, training, medical, addressing the needs of aboriginal and marginalized women—and how these are issues of violence against women that must be addressed in order to eliminate violence against women.

Since 1990, 555 women and children have been murdered in Ontario as a direct result of violence against women by an intimate partner. Our government continues to pledge to support the Ontario women's anti-violence community to make a commitment to work with women of our province for an end to violence against all women. All three current parties have made the commitment to include the voices of survivors of woman abuse

and the leadership of women's advocates in developing further action and direction in Ontario for ending violence against women.

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There has been progress on shared goals of responding to women and children affected by violence:

- we've begun restoring some of the 1995 cuts from women's shelter and second-stage programs;
- the development of a province-wide Sexual Violence Action Plan;
- the promise to move forward on a strategy framework to end violence against aboriginal women;
- actions to promote survivor involvement in service coordination, among other initiatives; and
- the formation of an advisory council that provided the Transforming Our Communities document, a report to the minister responsible for women's issues that identifies 45 recommendations intended to move forward the Ontario government's public policy direction to end violence against women.

Poverty and housing issues need to be addressed immediately to keep women and children from dying at the hands of their abusers and to give hope to those women who have succeeded in escaping the abuse that there can be a life free of violence for themselves and their children. Adhering to the recommendations of the Domestic Violence Death Review Committee, particularly the May-Iles and Hadley inquests and most recently the Pham inquest, must be committed to.

The national transition home survey 2010 identified that, between April 1, 2009, and March 31, 2010, there were about 64,500 admissions of women to shelters across Canada, representing a rate of 452 admissions per 100,000 women. The rate of admissions was up from 2007 and 2008.

Many of these women and children, when leaving the shelter, are faced with the uncertainty of where they would go due to a lack of accessible, safe, affordable housing. Even though they did not want to return to the abusive partner, they often did not have a choice. New Starts For Women women's shelter, during this same time period, provided emergency shelter to 243 women and 206 children. Staff also provided support via our crisis line to 1,341 crisis calls.

Many women do not access the shelter due to uncertainty of obtaining safe, affordable housing in Red Lake. Access to housing, a lack of subsidized housing, waiting times and inadequacy of shelter allowances are the most common barriers to women accessing safe, affordable housing. Other barriers, especially in rural or northern communities such as Red Lake: subsidized housing may not be located close enough to services the women need to address the violence in their lives.

Unhealthy, unsafe housing also exposes women and children to risk of child welfare involvement. But this same threat is there for women who are forced to return to the abusive partner. Apprehension of children by child welfare, high costs of hydro, utilities and the cost of food, which are not adequately recognized by income security

programs or covered by the low wages women often earn, are the top reasons why women lose the housing they struggle so hard to get. They can't afford to keep it.

Housing availability, accessibility and advocacy over the past 20 years has not seen much progress from what women faced in 1999. However, we are beginning to see some progress on the housing crisis that was created in the 10 years between 1995 and 2005. This progress is not enough to reverse the impacts of poverty and homelessness, even to 1995 levels.

Most new housing builds have been located in the southern portion of our province. Demographics justify this, however. With more and more housing—aboriginal peoples moving off their First Nations into rural communities, the need for housing is crucial. With the rise in urban aboriginal communities developing within our larger service centres, the families' needs for safe, affordable housing puts more strain on their already overburdened housing situation.

There is so much more that women and children deserve and need to find a safe place without the violence. A second-stage housing unit would see women and their children afforded safe, affordable housing that is specific to their needs.

The community of Red Lake is seeing a boom in its major industry of mining, which has contributed to and created a critical housing shortage. A woman who leaves the shelter is unable to find safe, affordable housing in our community. The community of Red Lake, to meet the demands for housing, has been converting hotels, restaurants and stores to provide bunkhouses to meet the needs of the miners. Existing apartment buildings and rental units have inflated their costs to accommodate and supply demand. Property that is serviced is not readily available in the municipality of Red Lake. However, a New Starts proposal is opportune, as New Starts has available serviced land for this project.

New Starts for Women would like to construct transitional and supportive housing in the form of second-stage housing units already designed by Alfred Wood. This would include 10 apartment units, three- and four-bedrooms to accommodate family size in the north.

There is so much more that women and children deserve and need to find a safe place without violence. We found that our community is seeing an influx of community members from our north coming in and trying to find affordable, safe housing, although we don't have the means to accommodate. I'm looking for—that the budget include a plan to accommodate this housing shortage in our community, as well as all of the northern communities that we have in the Kenora-Rainy River district. The safe, affordable housing plan—there are recommendations for a long-term affordable housing strategy that I've included in the document that I'm hoping you have in front of you, that gives some specifics to it. We are also looking at—hello?

The Vice-Chair (Ms. Soo Wong): Yes?

Ms. Kathy Campbell: Are you still there?

The Vice-Chair (Ms. Soo Wong): Yes.

Ms. Kathy Campbell: Sorry; something happened there.

My argument for this pre-budget consultation is that I don't see a lot of commitment to housing in the north. There have been housing bills, like I said, in southern Ontario; however, for the north, where the demographics don't often justify it—or what we see as demographics. However, there is a desperate need. The housing that we do have in Red Lake—there are very low numbers of housing units, and oftentimes they're filled with families that have come in from the north or with miners who are accessing that housing as well. We need more low-income housing units designated, so that we can at least put women in there.

Most of the women that we have coming into our community are from northern communities that are very isolated; they need to have additional support for safety, which we hope that a second-stage housing unit would accommodate. It would also free up some of the local housing, which is not much—but it would at least free that up for a time, where we could provide the women with education and knowledge about how to pay bills, since that's not something they have to do in their community.

The infrastructure grants that have been put out there are very limited, and most often, our municipality looks at that infrastructure as roads and that sort of thing, which is important, of course. However, we can't even get proper nursing staff here because of the shortage of our housing. If we start doing some supportive transitional housing builds, I'm hoping that would also free up some of the housing that we do have here so that the hospital could access it or community counselling could access it.

It's very difficult to find a place to live in Red Lake at this point in time. The cost of a market rent unit here is anywhere from \$1,200 to \$1,800, which is not something that a woman on assistance can afford.

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Our hydro is also a very drastic cost to a woman. Oftentimes she's looking at, "Do I put food on the table or do I pay the hydro bill?" Often hydro is left to last, and then the hydro gets turned off and she has to leave her accommodations.

There are a lot of struggles that we are faced with. I struggle every day when I see a woman leave the shelter and return to an abusive partner or unsafe community because she is unable to find safe, affordable housing. While the woman is here, she and her children receive information on how to keep themselves safe and they are encouraged to come back to the shelter as often—

The Vice-Chair (Ms. Soo Wong): Ms. Campbell, you have one minute left.

Ms. Kathy Campbell: Okay. So basically, I guess, I really want to encourage you to put something in the budget regarding housing—safe, affordable housing, of course—in northern communities. Don't forget about us up here. We do struggle every day, as you can tell. Here I am talking to you via telephone, which isn't really great, but that's something I have to do to be able to participate.

The Vice-Chair (Ms. Soo Wong): Thank you very much. Thank you, Ms. Campbell. I believe the committee has heard your concerns, so we look forward to hearing from you in the future.

SHELTER HOUSE THUNDER BAY

The Vice-Chair (Ms. Soo Wong): The next speaker is Shelter House Thunder Bay, Patty Hadju. Come on up.

Ms. Patty Hadju: I don't know if you got my email yesterday, but I did bring along Cynthia Olsen, who's the drug strategy coordinator—

The Vice-Chair (Ms. Soo Wong): Can you identify yourself for Hansard, please?

Ms. Patty Hadju: Sure. My name is Patty Hadju. I'm the executive director of Shelter House Thunder Bay, which is the largest emergency shelter here in Thunder Bay. We house men, women and youth ages 16 to 18, and we're the only facility that houses youth and women as well. I've brought along with me Cynthia Olsen, who is the drug strategy coordinator for the city of Thunder Bay. Thunder Bay has an exemplary drug strategy, of which housing is a pillar. So I'm going to let Cynthia open and then I'm going to tell you a little bit about the homeless situation in Thunder Bay.

The Vice-Chair (Ms. Soo Wong): That's great. You have 15 minutes.

Ms. Patty Hadju: Thank you.

Ms. Cynthia Olsen: Good morning. Thank you very much for the opportunity to speak today. Like Patty said, my name is Cynthia Olsen and I am the coordinator for the Thunder Bay Drug Strategy.

Our strategy recommends 112 actions to reduce the harms associated with substance use. It was ratified by our city council in 2011 and accepted as our official plan to address substance use issues in our community. We have adopted a five-pillar approach, modifying the traditional four-pillar approach of prevention, treatment, enforcement and harm reduction. We opted to include a fifth pillar for housing, recognizing the importance of access to adequate, stable and affordable housing as a basic human right and a foundation on which community members struggling with substance use issues may begin to get well.

Housing is one of the fundamental social determinants of health. There is a desperate shortage of safe and affordable housing in Thunder Bay. Policy- and community-based research has clearly established the link between poor housing and ill health. People who are homeless bear a much heavier burden of illness and premature death than those who are housed.

Failure to provide people with the building blocks essential for healthy communities inevitably leads to more complex social problems. Solutions must be found that improve housing for people affected by substance use, mental health, marginalization and poverty. People who have affordable, safe and appropriate housing have fewer health problems, including those related to substance use.

We need to see a decrease in the length of our social housing waiting lists, development of “housing first” models in our community and an increase in transitional and supportive housing, with specific housing tailored to meet the unique needs of youth, women and First Nations individuals in order to see a decrease in the number of people designated as homeless.

Ms. Patty Hadju: Thanks, Cynthia.

And so, as the chair of the housing pillar and now the executive director of Shelter House, I thought I'd give you a little bit of a snapshot of what all that means in clear language.

I thought I'd start with a story, actually. We house 62 individuals every single night. We have capacity for 42 permanent beds, and we have 20 overflow beds which are always in use; we often have to turn people away because we are actually full. Oftentimes, people who are staying with us have severe mental health and addictions issues, along with many other physical and chronic illnesses.

One story is, recently we had a young woman who had been struggling with substance use and finally made the very brave leap into treatment. She went away to treatment for four weeks—roughly 28 days—and when she was discharged, she was discharged back to Shelter House. There were no accommodating support services for her, there were no spots in any kind of transitional housing available to her, and within 48 hours she was using substances again. You can imagine how difficult it is for people to stay sober in an environment where there is so much untreated mental health and addiction. That's the kind of cycling that we see on a regular basis.

Homelessness is severe. It's rising in Thunder Bay, as well as other parts of Canada. We've actually just recently joined a federal homeless tracking system called HIFIS, which is tracking actual numbers. We hope to have some data, both locally and regionally, in the next while, because we will be using this national tracking database.

Many individuals that we see require supportive housing, so the stays in homeless shelters are typically quite long. Innovation that reduces costs across various ministries is often not financially supported, which means that homeless shelters who are providing innovative services—doing anything besides the bare minimum of sheltering—are forced to fundraise. We fundraise a third of our budget. Our budget is \$1.5 million a year; that is a no-frills budget. We feed 200,000 people a year on \$25,000 a year. Just so you know, it's the community of Thunder Bay that is actually feeding those people. We do food drives, we do fundraising—we have a fundraising coordinator who knocks her socks off every year. What we find, though, is that the pleas are expanding in the community, that so much need for so many different kinds of services that are not funded and that are not supported—social services in particular—and that the hands are becoming multiple and the donations are getting spread thin.

Here in Thunder Bay, as in other parts of the province, the housing vacancy rate is hovering at around 1%—it

might be 1.2% sometimes, 1.1% sometimes; the range of housing is therefore shrinking. I took an economics course during my master's of public administration, and it makes perfect sense, because the tighter the private market, the more the demand, which drives up the costs. Landlords are now reducing their desire to offer subsidized space because, of course, they are able to get full market value without any support. So, even in terms of availability, subsidized spaces are shrinking.

We have some social service agencies in town that can provide supportive living for people with substance use, and their challenge is that they can't get any landlords to sign on and be landlords because of this tight market.

Racial profiling is extremely common. I would say that 80% of our residents are aboriginal, and when they give the person their name over the phone, many of them have very aboriginal-sounding names and they are told that the space is taken and not to bother even coming and seeing the place. It's extremely frustrating and it's extremely challenging for people who are homeless to get out of a homeless shelter environment.

There is also an insufficient range of housing. While there may be a number of family units, for example, available in the subsidized market, most of the individuals that we see need single units. There is not the flexibility to use those units in a different way.

Homeless shelter stays can exceed 90 days—we have some people who are with us all year round due to the severity of their illnesses. On average, we figure it's costing our organization \$66 a day or \$23,500 annually for each person who is homeless. If you think of the cost of a bachelor apartment at \$650 a month, which is what the current rate is here in Thunder Bay, that's \$7,800, so for the cost of the bachelor apartment and even maybe some support, you would still be saving money rather than housing people in a very expensive fashion.

Ontario's Long-Term Affordable Housing Strategy states a “continued commitment to affordable housing,” and that they are now committing to this ongoing operating funding for housing and homelessness services, which some of you may have heard about, called CHPI—consolidated homelessness partnership initiative. CHPI is basically taking all the pots of money that were formerly being spent on homelessness, putting it together and giving municipal control.

The problem is that Thunder Bay has underestimated or underspent on homelessness for many, many years, so, actually, it's based on a three-year average of spending which is not accurately reflecting the true cost of homelessness in Thunder Bay. So we as shelter providers have a great concern that we are actually not going to even receive the revenues that we had before on the per diem basis.

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Ontario's housing plan, however, does not include any significant investment in developing affordable housing. Although there's a lot of talk about the whys and the importance, there's not really a commitment in terms of dollars for the bricks and mortar, and that's the piece

that's keeping our communities constrained; that there aren't available spots.

I'll tell you an interesting story. There are ways to do that without actually huge investments. I was a victim of the flood that happened here in Thunder Bay. My basement is suitable for an apartment. I would have had to spend \$15,000 personally to change the water intake valve from half an inch to $\frac{3}{8}$ of an inch, because that is the legislation that is required to make that a self-sustained bachelor apartment. It's things like that that constrain the private sector as well from being part of the solution.

Ontario has the worst record on affordable housing of all the provinces, with over 152,000 Ontario households on wait-lists for assisted housing. This is probably something you've heard in other deputations. In 2009, Ontario spent \$64 per person on affordable housing, compared to the average among all provinces of \$115 per person. We have the highest housing costs of any province as well.

Government source funding only covers two thirds of the costs, as I told you. We do receive 20,000 tonnes of food a year and 50,000 hours of volunteer time to prepare those meals. The meals that we prepare—we serve the entire community. We don't just serve people who are homeless. Our kitchen is open two times a day, and it's for whoever is living in that community who wants to avail themselves of a hot meal. What we see is that we're serving people on social assistance, because \$599 a month—you can't even pay for a bachelor apartment at full market cost, so people are having to make excruciating decisions about whether or not they're going to feed their children or pay for accommodation.

There are little to no services in our community that are trauma-informed, harm-reduction-based, transition-focused and include support for housing stability. As I said, people who are homeless often have complex needs, so actually placing someone in an apartment is sometimes not a solution. People need support to improve their life skills, to do the healing that they need in order to be able to become productive members.

What we frequently see is that we have, also, individuals who we can't serve, highly intoxicated individuals, for example, who present at the door with aggressive behaviour, a history of violence and no other emergency services available in the community. There are no specialized mental health institutions anymore. They've been barred from every organization in the city. Unless they've actually committed a crime, the police are not willing to arrest them. We call that the "safety or the snowbank" decision, or the God decision. My staff, who are on the front line at 3 in the morning, are in the position of deciding whether or not they let someone in who is potentially going to put themselves and 62 other people at risk, or whether they turn them away and have that person die in a snowbank. That is a daily decision that happens in the life of shelter operators.

I do want to finish on something that came out of the Thunder Bay Drug Strategy that was initiated by Shelter

House that is a solution and that I would encourage you to think about supporting. We have started a managed alcohol program called the Kwae Kii Win (Turning Point) Centre. It is a supportive, barrier-free, harm-reduction-modelled house that, at the moment, houses 15 people with severe and chronic alcohol use. These are the people who we typically couldn't take in and were at risk of freezing in a snowbank. They are people who will likely never recover from alcoholism. We have another one in the province; the Seaton House Annex program is who we modelled ourselves after.

We provide dosed alcohol to people. We provide supportive living. We have a partnership with the community health centre so everybody gets primary health care. We save incredible money and we also contribute to quality of life for the individuals. Better health, less injury; it reduces the load on medical and policing services. We will have an evaluation report by December 2013 that will be quantitative as well as qualitative, looking at what kinds of dollars we have saved policing, what kinds of dollars we have saved our health care system.

Sadly, this program has no stable source of funding. It's being funded through a Trillium grant, through some federal housing money and through fundraising. So we will be asking for support from the province in some way to help us sustain this kind of transitional supportive living. It's a humane and practical solution, and it's also a cost-saving to the taxpayer.

Thank you very much.

The Vice-Chair (Ms. Soo Wong): Thank you very much. You now have, I think, four minutes. This round of questions is from the NDP.

Ms. Sarah Campbell: Thank you for that presentation.

First of all, I want to commend you on the work that you're doing. It's exceptional.

I found it quite shocking; I didn't realize that you don't have any stable funding and that you rely so much on fundraising and grants. That's unacceptable. I think you did a very good job of clearly outlining the need for Shelter House.

How much money do you think would be reasonable to receive from the province?

Ms. Patty Hadju: Ideally, it would be nice to have sheltering completely covered by the province so that we could spend our energy on helping people get well, rather than spending our energy on chasing fundraising dollars. It's an enormous human resource expense to get that money, actually.

If we look just at the managed alcohol program, it costs us \$500,000 a year for 15 people, which is amazing when you think that it can cost a million dollars for an individual annually, depending on the load on services. These are individuals who are picked up sometimes two or three times a day, by the police, by the EMS, who are transported around to the city, who use emergency health care, who are back at the shelter, and on and on it goes the next day. So for half a million dollars a year, you can

take care of 15 marginalized people in an incredibly cost-effective and humane way. It is just about looking at things in a different perspective.

Ms. Sarah Campbell: One of the things that you talked about is the fact that the shelter provides food to people and that you don't discriminate between people who are homeless and people who may rely on social assistance. One of the things that we're talking to the Liberals about is allowing people who are on social assistance to keep the first \$200 of their employment income. Do you think that's something that would help people to be able to afford food? Do you think that's a step in the right direction?

Ms. Patty Hadju: I think that's an absolutely great step in the right direction. I think that if we had more transition between social assistance and employment and we helped people with stepped ideas like that, we could actually alleviate the burden on social assistance as well.

We see people who can't afford their medications and therefore can't let go of social assistance, because how are they going to be able to afford their medications if they don't have a benefit plan when they're working at Walmart? Those are the kinds of challenges that people face. So if you were able to say, "We're going to have a graded system and help people get off social assistance by not penalizing them so stringently when they do actually make money, or by supporting them to keep their benefits for a period of time while they're employed," those kinds of supports would be tremendous in helping people move along.

The Vice-Chair (Ms. Soo Wong): One more minute.

Ms. Sarah Campbell: Okay, good. Thank you.

The other thing that you talked about was the fact that there aren't a lot of options for housing. Do you have any idea what the wait-list is in Thunder Bay for subsidized housing?

Ms. Cynthia Olsen: I believe there are over 1,000 people on the wait-list.

Ms. Sarah Campbell: Wow.

Ms. Patty Hadju: Yes, it can mean years in some cases.

Ms. Cynthia Olsen: And especially for single individuals. That's the highest.

Ms. Sarah Campbell: Do you have any questions, John?

Mr. John Vanthof: No, I'm fine.

Ms. Sarah Campbell: Thank you.

Ms. Patty Hadju: Thank you very much.

CONFEDERATION COLLEGE

The Vice-Chair (Ms. Soo Wong): The next speaker is Confederation College, Jim Madder. Good morning.

Mr. Jim Madder: Good morning. Welcome to northwestern Ontario. It is wonderful to see all of you up here during this time of pre-budget consultations that are here.

You can tell from the way all of us speak about northwestern Ontario that we're passionate about this place, and we'd love you to stay, please. One of the reasons

why I say that is we don't have enough people here, and I'll come back to that point. We have remarkable opportunities here, and we have remarkable challenges here as well, which I'd like to address.

A number of the previous speakers have talked about a challenge around housing. In fact, as northwestern Ontario and in Thunder Bay, the CMHC says we have a 1% vacancy rate, which means we don't have a vacancy rate. Virtually every single place that we have is filled with people.

The second part is, we actually have the lowest unemployment rate in Ontario and the fifth-lowest in Canada. People say, "Are you talking about Ontario?" Yes, this is Ontario. Typically, we're running, in the last 12 months, between 5% and 5.5% unemployment, versus other parts of the province that are hitting 9% or more, with an average around 7% to 7.5%. This is a wonderful, wonderful place to be if you want to work and have a job.

One of the interesting challenges that Confederation College has, as one of 24 institutions, is we're very different than many of the other colleges. We actually deliver across 450,000 square kilometres of area, more than half of this province. We're very different than a Humber and we're very different than a Fanshawe, yet we're actually constrained by the same types of grants and the same types of activities and policies that apply to a Humber and a Fanshawe. That's not to actually in any way negate the remarkable institutions that Fanshawe and Humber and Mohawk are, but we're in a very, very different circumstance.

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Across that 450,000 square kilometres, we deliver to 250,000 people. Those are the people that I serve. In any one year, I have between 11,000 and 12,000 students. So, I have nine campuses that spread from Kenora across to Wawa, from Thunder Bay to Red Lake, which one of our previous speakers has spoken about. At any one time, I'm delivering an additional 20 to 30 locations in remote communities, communities that do not have any land access other than through the winter routes that are here.

Within that 250,000 people, I have at least 45,000 people with a declared aboriginal heritage who have remarkable challenges in terms of accessing education, significant issues in terms of numeracy and literacy, and those are our students because, to be quite blunt, the federal government has failed them in supporting their education. We look forward to a future in which their education, from kindergarten to grade 12, is better supported than it currently is so that when they do come to our full-credit programs they can be far more successful.

The First Nations that are in the regions are remarkably important partners with us. Some of the pieces that I will speak to today show those partnerships' growing success in kindergarten to grade 12, and that supports success at the college level as well.

So, in my chat here in the next couple of minutes, I'll reference what is in the paper that's here. I'm not going to read what is here.

We are one of 24 institutions, all of which look remarkably different. Having said that, I open the newspaper, the Wawatay News here, and Fred Gibbons, the president at Northern College in Timmins, wrote a letter here to the people that I could have written word for word. We are the answer for skilled trades. We're the answer for skills. We're the answer for jobs in the north. Our huge issue is having people complete high school, continue on to us or actually come to the north.

We have seats in programs that are in the six northern colleges which don't exist in the south. So we have proposed and are bringing forward to NOHFC a proposal in which we publicized those programs in the south—oversubscribed programs. In fact, we've got great partnerships with Porter and Bearskin Airlines to support students from the south coming to the north, falling in love with the place—studying up here, but falling in love with the place and staying up here. So if any of you would like to stay up here, there are employment opportunities for you all. It is a phenomenal circumstance, quite different from the story perhaps in—

Interjection.

Mr. Jim Madder: Well, in Kenora as well. You're already here, Sarah, it's great.

You can't tell the excitement that I have about this region and the opportunities that are here. There was an announcement this past week—a critical announcement—for NNEC, the Northern Nishnawbe Education Council, that supports the development of accommodation for First Nations students on our campus. It is accommodation for students going to Dennis Franklin Cromarty High School. It is a First Nation high school, which is defined in Ontario as a private school.

In fact, those students—you can imagine being 13 or 14 years of age, coming out of Sandy Lake or Sachigo Lake or Pikangikum, never been outside of that community at all and coming to Thunder Bay and saying, "Okay, you're here in town. Go learn." Well, you're here in town, you've got so many temptations and other people who want to prey on you, you don't learn terribly well. The fail or dropout rate right now of DFC is over 90%. Those are all people who could be my students. Those are all people who could be in skilled trades throughout northwestern Ontario.

By putting accommodation on our campus, rather than having people boarded in the community, there's 24/7 supervision and there's much greater control, in terms of—control, it sounds horribly paternalistic but at that point in people's lives, 13- or 14-year-olds—they need to be provided with a great deal of guidance to provide their success in high school coming on to be success with us. That announcement occurred this last week. We're very pleased to share our lands, as a college, for that project.

A second piece that we're working on, and it relates to a number of pieces that have been raised by other speakers here this morning, is the development of a student village. We simply have no accommodation for our students as well. We have a residence; it is absolutely, completely filled. We talked earlier about a 1%

vacancy rate. I have many parents who call me and say, "I'd send you my son and daughter, but there's no safe place for them to stay." So we are going to expand our accommodation facilities on our campus and change our recreation facilities.

We currently live in the world of a bubble, and I mean that quite literally. That bubble is going to come down at 17 years of age, and our students have committed their own funds to renewing that recreation facility. This will be enhanced by a student success centre. I welcome the province to be part of that student success centre. You don't need to be. We're determined to do this, from fundraising and other pieces as well, but this is through private funding, through funding of our students and through funding from other agencies to make this work, but it will allow more students to come to us and increase their success rates at the same time.

Other work that you've seen here and what I've shared with you—right at the current time, I have employers virtually hiring students out of my classes. That's absolutely wonderful. What's the problem, though? I have no class at the end of the semester. In fact, I get grants on the basis of classes.

We have convinced those private enterprises to partner with us in order for students to study and work at the same time. This goes back to the 1960s, when there was huge, huge demand. In fact, those students are working full-time, and they're also studying with us full-time. I give them immense credit for that, and that's really on the backbone of industry that is making that happen.

We're doing things very, very actively in order to increase the numbers of people who are being produced for skilled trades: the success of students, attracting students from remote communities across the north into all of our communities, delivering our programs in those communities as well. One of the critical pieces that we do is to increase students' success in kindergarten to grade 12, yes, in First Nations schools but all across the northwest.

We have more than 1,000 college students—they're in high school. The School-College-Work Initiative is absolutely fantastic. As a college, we have the largest number of dual-credit students of any college across all of Ontario. It is incredibly successful. I do ask in my suggestions later on—there are some policy changes that I suggest at the bottom of this—to expand that program wherever possible; allow its full expansion into First Nations schools. Boy, that's been difficult, because First Nations schools are funded by the federal government, and in fact, the School-College-Work Initiative was not designed in order to be used that way. We will have three initiatives that will go ahead this coming year in that environment. It was challenging bringing that forward, but in fact, we will continue to do that type of work. We'll also move forward—actually, I will look at my notes.

The tuition reduction of 30% is absolutely fantastic for new people coming out of high school. One of the largest issues that I faced, though, is it doesn't fit with the life

cycle of many people in the north: Often they come out of high school and they work, or they have children. Five or 10 years later, they have the time and the opportunity to come back and study with us. They're not eligible for that tuition rebate. Please consider expanding the age that people are eligible for that tuition rebate. It's my understanding that it has not been fully subscribed to. I would think it would be terrific to actually have those dollars associated with that spread across people up to at least the age of 26 or 29. It would dramatically increase the support that we have for students here, particularly aboriginal students in the north.

I would also, as I mentioned here, invite you to participate in the study north—work north initiative that is being brought forward by the six northern colleges. Again, we have work up here; there are unemployed people in the south. We'd love people to come to the north in partnership with our communities. Porter Airlines, Bearskin Airlines, Resolute—all of these people are involved with this project. Bring people to the north, study here, fall in love with the place and work here.

The Vice-Chair (Ms. Soo Wong): Thank you very much. This round of questioning is from the government side.

Ms. Dipika Damerla: How much time do we have?

The Vice-Chair (Ms. Soo Wong): You've got six minutes.

Ms. Dipika Damerla: Thank you so much, Mr. Madder. Really, I applaud you for your success. It's a great, great story that you've shared with us today about this part of Ontario that is doing so very well. I will definitely take it back to my riding in Mississauga. When people come to me and talk about unemployment, I will definitely point them to you and this area.

I do have some questions though. One thing that twiggled my interest was, you already have residences for you college, right?

Mr. Jim Madder: Yes.

Ms. Dipika Damerla: What is the proportion? Because then you go on to say that the aboriginal children are not able to access that accommodation currently. What is it?

Mr. Jim Madder: We have 230 spaces in our residence. Our proposal in our student village is to more than double that. The 230 isn't anywhere near enough what we have.

Ms. Dipika Damerla: What's your full enrolment?

Mr. Jim Madder: When you ask a president that, you'll have all sorts of caveats around what I'm going to say. We serve 11,700 people in any one year. Of those, much of it is in remote communities. Of those, much of it is contract training funded by the federal government. If I come down to post-secondary credit students who are coming to our campuses, it would be 3,000 FTEs, or full-time equivalents. That would be approximately 4,000 students.

Ms. Dipika Damerla: So you have 4,000 students, but 230 residence spots.

Mr. Jim Madder: Right—nowhere near enough.

Ms. Dipika Damerla: I can see. And now you are expanding to—you're doubling that, you're saying, and you're doing that through private dollars. Is that correct?

Mr. Jim Madder: We are. That is the proposal.

Ms. Dipika Damerla: I applaud you very, very much on that. I did want to ask—you said you wanted the province to expand a particular program. You alluded to it, but you didn't go into much detail. I just want to know more—

Mr. Jim Madder: There are two programs I'd like them to consider expanding. One is the School-College-Work Initiative; it is incredibly successful. We applied this year for \$2.4 million worth of funding that would support about 1,500 students. In fact, we are funded at \$1.7 million of funding, which is just about 1,000 students. It will end up with about 1,200 credits. It's unbelievably successful in improving the high school completion rate.

My self-interest, to be quite blunt, is also the continuation rate in post-secondary education. There are 11 school boards in northwestern Ontario, and all of them are interested in this program and simply can't fund the demand that is there.

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Ms. Dipika Damerla: How is it different from a co-op? Is it similar to a co-op?

Mr. Jim Madder: Actually, no, it's quite different. Students are delivered college curriculum, which is also recognized in the high school for credit, meaning the dual-credit pieces that are done here. So they're getting a high school credit; at the same time, they're learning what they would have learned in an introductory-level course at college. It builds unbelievable confidence in those students. Often, they say, "My God, I could never go to college. I'm not smart enough." Well, they're doing college work in the high school.

In some instances, we have a school within a college. I have nine land-based campuses, so I have high school students coming to our campuses in Kenora, for example; here in Thunder Bay—and a tremendous one that's going in Fort Frances.

So they are more comfortable taking college programs. Often, the irony of this is they take that dual credit they could use at the college—they don't. But it has built the confidence in them that they could do this.

Ms. Dipika Damerla: Why do they not go on to college?

Mr. Jim Madder: Actually, many of them do who do the dual-credit program. It has been hugely advantageous for many of them who do. If they don't, a huge amount of it is family history. The primary driver of a person going on to a post-secondary institution is a family member, a parent particularly. If you don't have a parent who has done it, then often there is no exemplar to go ahead and do this.

Here we provide the opportunity to explore a college career by doing dual-credit programming.

You mentioned the other one. You have an existing program with a 30% tuition rebate, but only for students

who have recently left high school. Please expand that. Please expand the ages that are there. Especially in the north, students who leave high school—you might have a young lady who has two or three kids. The first thing on her mind is supporting and sustaining those kids. They come back to us five or six or seven years later looking for education and they can't afford it. If that 30% tuition rebate could be spread to people who are older, I think that would be fantastic.

The Vice-Chair (Ms. Soo Wong): Two more minutes.

Ms. Dipika Damerla: Do you have a question?

Mr. Vic Dhillon: Just a comment.

Ms. Dipika Damerla: Go ahead. Make the comment.

Mr. Vic Dhillon: Thank you very much for your presentation. I just want to make a comment. Having lived in Thunder Bay and having gotten an education in Thunder Bay, I couldn't agree with you more with respect to coming up here to get a great education at LU, Lakehead University, I had the luxury of such a low student-prof ratio. When I went back in the summers and got together with friends from Western or York or U of T, it was amazing to hear that they had 1,000 students in one course. It's a great place to get an education, and if a person gets a job they want here, I think it's a great place, frankly, to raise a family as well.

Mr. Jim Madder: I can't agree with you more.

The Vice-Chair (Ms. Soo Wong): One more minute.

Ms. Dipika Damerla: I just have a very quick question. I'm curious; you said that in some of your classes the kids are getting jobs before they graduate. I just wanted to know what kind of jobs those are.

Mr. Jim Madder: On the front of your little poster it shows welding. Welding was one of the specific areas where we had an employer coming in. I don't have permission to share them with them. I'm sure they'd be happy with that. In fact, they were hiring them out of our classes. I said, "Wonderful; I want them to have jobs. But I want them to complete the class." So we ended up with a combination of late-evening delivery—they're working on shift work, so in fact some of it's on Saturdays and weekends as well.

Please tell the story. There are jobs in northwestern Ontario. There are actually great opportunities for education in the north.

The Vice-Chair (Ms. Soo Wong): Thank you very much for your presentation.

Mr. Jim Madder: Thank you.

NATIONAL AIRLINES COUNCIL OF CANADA

The Vice-Chair (Ms. Soo Wong): Our next presenter is National Airlines Council of Canada, Marc-André O'Rourke.

Mr. Marc-André O'Rourke: Good morning.

The Vice-Chair (Ms. Soo Wong): Can you identify yourself for Hansard?

Mr. Marc-André O'Rourke: Yes. Marc-André O'Rourke, director of the National Airlines Council of Canada.

The Vice-Chair (Ms. Soo Wong): Thank you very much.

Mr. Marc-André O'Rourke: Thank you very much for the opportunity to be here this morning. I'm not from Thunder Bay; I'm not from the region, but after hearing the last speaker, it seems like a very, very prosperous place, and I'll definitely tell my friends and have a think about that.

You were kind enough to find room for us today, so we are really quite appreciative of that.

I'm here today on behalf of Canada's major airlines, but also our partners with the International Air Transport Association.

I want to take a few minutes to explain why the time is right for Ontario to eliminate its provincial tax on aviation fuel on flights to the US and other international destinations. Ontario is one of the few remaining provinces that still has this tax, and we believe the time is right to eliminate it. So I hope to make a compelling case over the next few minutes, and then I'd be pleased to answer any questions.

In short and for the reasons that follow, we believe that Ontario's tax on aviation fuel is simply inconsistent with the interests of air travel consumers in Ontario, but also the general taxpayer, because it hinders the development of a competitive air transport network and is counterproductive to efforts to support Ontario's vital tourism and travel sector. As such, we respectfully urge the government to eliminate this provincial fuel tax.

Just by way of introduction, the National Airlines Council of Canada is a trade association that represents Air Canada, WestJet, Jazz and Air Transat. We promote safe, environmentally responsible and competitive air travel. Our members carry over 50 million passengers per year. We directly employ over 43,000 people and we support the creation of almost 260,000 jobs. Further, as the airlines that represent the underpinnings of Canada's domestic and international air services network, we are major facilitators of national economic activity and key components of Canada's multi-billion-dollar travel and trade industry. We are also the biggest users of Ontario's airports. Our partner is IATA. IATA is the world's largest air transport association and represents over 240 airlines, which represents over 84% of the world's scheduled air traffic.

The aviation industry does provide significant benefits to Ontario and Canada; however, those benefits could and should be much greater. We don't need to look much further than Canada's dramatic fall in international tourist arrivals in the last decade, and also the five million Canadians who flee our Canadian airports and drive across the border. It's a major problem.

There's an urgent need to change the way governments view our industry. In our view, governments need to realize that the aviation sector is an engine. It enables growth and facilitates trade and tourism. This means we

need more forward-looking policies to allow the aviation sector to do what it does best: create jobs. With respect, we believe that eliminating the provincial aviation fuel tax is this type of forward-looking policy.

For the airline industry, addressing the needs of eliminating taxes is nothing new. We definitely have reason to be proactive on this front, given the plethora of federal taxes and fees and third-party charges and security charges that are downloaded onto the airfare. But when we do ask for this relief, it's important not to overlook the fact that we are actually recommending that the public treasury forgo a stream of revenue. So we are in fact asking someone else to bear the cost, namely the taxpayer. When we do so, it becomes obvious that this cost needs to be transformed into a public investment; we realize that—an investment that will pay dividends to the taxpayer, maybe not in the short term, but definitely in the medium and long term.

In brief, if we are going to ask for this type of commitment, the return-on-investment analysis becomes fundamental. To that end, we have retained an eminent economist from York University, and I have his report—I'm not sure what happened to it—but it'll be distributed to you. Basically, this report updates the impacts it would have of eliminating this—and again, I don't know how familiar you are, but this is a 2.7-cent-per-litre tax. And what we're talking about here today is the fuel that's used on flights leaving Ontario to the US, which we call the trans-border industry, and to other international flights.

This report identifies four key benefits, and I'll briefly highlight them. First of all, Ontario would harmonize its aviation fuel tax policy with the federal government, with the US federal government and with most provinces and states. North America's economy is becoming increasingly integrated, which means more competition and enhanced competitiveness for Ontario's businesses.

Eliminating this tax now would also come on the heels of a recent decision in British Columbia that eliminated their same tax, which came into effect in April 2012. Despite facing fiscal challenges, the BC government recognized the value of the industry and what these benefits could bring.

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I'll touch a bit upon those benefits later, but for now I think it's important to note that when British Columbia made this decision to eliminate their tax—the same tax, this provincial fuel tax—it recognized the need to increase BC's competitiveness in light of its neighbours. Alberta, Washington and California do not have this tax. The BC government also noted that each new international flight would create between 150 and 200 new jobs just at Vancouver airport.

The second benefit would be that Ontario's economy would be significantly better off. If we bear in mind that aviation is a major enabler and facilitator of many sectors of the economy, including travel and the high-value-added international tourism industry, the report estimates that removing this tax could generate additional econom-

ic input of between \$70 million and \$138 million, as well as lead to over 50,000 more tourists visiting Ontario, and could create almost 2,000 new jobs. On this last point of the job creation, it's important to note that the jobs would be created in the industry at about 35% to 50% less than the usual expenditure costs per job.

A third benefit is particularly important, related to Toronto Pearson airport. Toronto Pearson airport is a major economic engine for Toronto, and Ontario in general, but the country as well. Eliminating this tax, as was done for Vancouver, would help consolidate and strengthen Pearson as a major hub. It's important to note that Pearson is in direct competition with such airports as Detroit, Chicago, New York and Minneapolis. Also, Toronto is losing a lot of passengers to the Buffalo airport.

Another benefit would be that the productivity growth rates and the overall competitiveness of Ontario's manufacturing and service sectors would be enhanced. This would be realized because of positive externalities resulting from increased air transport services servicing our airports. We would expand markets. Companies could benefit from economies of scale. It would reduce travel costs and travel time.

In closing, I do want to again touch upon—because I think we can learn a lot from the British Columbia experience that eliminated their tax. British Columbia has already seen significant return on its investment. Now, I'm not going to sit here and pretend that their decision to eliminate their tax is 100% why these new services happened, but there's no question that it did contribute very, very significantly. For example, Virgin Atlantic introduced four new flights to London, Sichuan Airlines introduced three weekly flights to Shenyang-Chengdu, and Lufthansa announced new flights to Munich. Just the Munich flight alone, it's estimated, will create 131 new jobs, bringing in about 15,000 new visitors to the province. The Virgin Atlantic flight will bring in over \$20 million in new tourism revenue and create another 172 direct jobs. These are from just one new flight.

In closing, aviation plays a critical role for Ontario's economy. It's an enabler of growth. It's an economic engine. It facilitates trade and tourism. It expands markets. Aviation links our communities. It connects Canadians who are separated by great distances. We must ensure the aviation industry remains competitive. As such, we would ask you to seriously consider eliminating the 2.7-cent tax on aviation fuel.

I would welcome any questions.

The Vice-Chair (Ms. Soo Wong): Thank you very much. The questions are from the opposition party.

Mr. Peter Shurman: Thank you, Marc-André. That's interesting. This is the fourth city, not including Toronto, where we've held a day's worth of hearings, plus a couple of days in Toronto. It's the first request, if memory serves, where somebody has come and said, "Please take this tax away," at a time where revenue is hard to come by in the province of Ontario. I'm not against what you're saying, but in a 10-minute presenta-

tion I need to understand a couple of things without the benefit of having read your economist's report.

You talk about the fact that if we eliminate this tax, we get a number of benefits, but being able to connect the dots is hard for me. First of all, can you tell me what the revenue stream is to the Ontario government right now, if you take all the litres of fuel consumed and sold in the province and multiply by 2.7?

Mr. Marc-André O'Rourke: Absolutely. If we talk about all the carriers—I'm talking about not just our members—we're talking about \$49 million that the government receives.

Mr. Peter Shurman: So \$49 million is lost to the government. The government has to replace the \$49 million, and you contend that through economic activity as a result of the elimination of this tax, we would recoup—you gave us a number. I think it was \$70 million to one something.

Mr. Marc-André O'Rourke: Exactly. You recoup—and again, this won't happen overnight. It's five, 10 to 15 years. I'd have to look at the report, but there's definitely a set-off that comes in the form of income tax and sales tax that are created by these new—

Mr. Peter Shurman: I think the members of the committee understand—I'm not chiding you in any way—that when we create jobs, we get taxes; when we have better corporate profits, we collect taxes. And so maybe there is an offset, but we have to understand what that offset would be in order to really get behind your recommendation.

I've got to ask this question: If you saved that money—say, WestJet is one of your members.

Mr. Marc-André O'Rourke: Yes.

Mr. Peter Shurman: If WestJet doesn't pay that on fuel purchased when it is flying out of an Ontario destination, is it going to pass that along in any direct way? Are ticket prices coming down?

Mr. Marc-André O'Rourke: I can't speak for WestJet, but I mean, it would be in any airline's interest to reduce airfares to get more passengers.

Mr. Peter Shurman: Yes, but have any of your—I won't put you on the spot and say "WestJet." Have any of your members indicated that there would be a direct cause-and-effect situation? Would they reduce airfares?

The reason I'm asking the question is because economic activity comes as a result of people saying, "Hey, that's a pretty good deal. Let's go."

Mr. Marc-André O'Rourke: Yes. My answer would be that it would be in their interest and they would definitely lean towards that direction. Again, I'm going to point to the BC experience. BC has seen a significant amount of new traffic because carriers are paying less to service the Vancouver airport.

Mr. Peter Shurman: So is it your contention, then—my colleague wants to ask a question, so I'm going to save some time. Is your contention that we would experience additional flights to new places as a result of the fact that our fuel costs would be cheaper to airlines using Ontario airports?

Mr. Marc-André O'Rourke: Absolutely—flights to new places and more flights to existing places, especially in the expanding markets of India and China and Brazil.

Mr. Peter Shurman: Thank you. Monte?

Mr. Monte McNaughton: Just two quick questions: So how much have ticket prices gone down in BC on average?

Mr. Marc-André O'Rourke: I don't have the answer to that, no.

Mr. Monte McNaughton: Okay. What other provinces have eliminated this tax?

Mr. Marc-André O'Rourke: Alberta did it in 2004. They were at the forefront. I believe it's in the report here. A few provinces still have it. Alberta made the decision in 2004; British Columbia, last year. I don't know when the others made the decision, but I know that New Brunswick doesn't have one, Quebec doesn't have one and Saskatchewan doesn't have one.

Mr. Monte McNaughton: Okay. I was just curious. It's just very interesting and, like my colleague Mr. Shurman said, it's something new that we haven't heard yet at any of these pre-budget consultations.

Mr. Marc-André O'Rourke: It's definitely something that we've been asking for, for a few years, and we think the timing now is quite right.

Mr. Monte McNaughton: Chair, that's it for myself personally.

The Vice-Chair (Ms. Soo Wong): Okay. Any questions? Mr. Shurman?

Mr. Peter Shurman: I have another question. My colleague from the Liberal side, because he doesn't get a chance to question you—we do a rotation—was interested in what information you might have on any benefit that airlines are deriving from some movement towards charging by weight—in other words, if you're a hefty person versus a light person. Is there any motion in Canada in that direction, and in Ontario particularly?

Mr. Marc-André O'Rourke: I'm not aware of any—I'm not quite sure I understand the question.

Mr. Vic Dhillon: Chair, if I may?

Mr. Peter Shurman: Sure.

Mr. Vic Dhillon: There was some media coverage in the last week or so about a certain airline charging people by their weight. They would even put them on a scale if they felt they were dishonest about their declaration. It's just out of curiosity and whether, in Canada, that can be done and whether your organization has done any research on whether it's legal. I mean, I certainly think it's unfair, and so—

Mr. Marc-André O'Rourke: No, it's an interesting—I personally am not aware of that. As a council, we wouldn't get into that type of issue. That's kind of a—but I'd be curious to find out which airline, because if I'm not in the know, I'd like to be. But I can definitely say I'm not aware of anything like that as an association.

The Vice-Chair (Ms. Soo Wong): Okay, that's great.

Mr. Vic Dhillon: I don't know the airline, but just—

The Vice-Chair (Ms. Soo Wong): Thank you very much for your presentation.

Mr. Marc-André O'Rourke: Thank you for your time.

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FAYE PETERSON TRANSITION HOUSE

HOSHIZAKI HOUSE

The Vice-Chair (Ms. Soo Wong): The next speaker is Faye Peterson house and Hoshizaki House, Debbie Zweep. Thank you very much.

Ms. Debbie Zweep: Can someone assist me with getting the PowerPoint? Sorry. I brought all my files.

The Vice-Chair (Ms. Soo Wong): Good morning. You may start.

Ms. Debbie Zweep: I'm just going to wait for one of my handouts to come back to me. Thanks.

Good morning. My name is Debbie Zweep. I am the executive director of Faye Peterson Transition House here in Thunder Bay and, at the moment, the interim director of Hoshizaki House, a shelter in Dryden, Ontario. Thank you for allowing me the opportunity to present to you.

If any of you don't know what women's shelters are about, I've just given you the legal definition of woman abuse. We provide service, support and shelter to women and their children who have experienced woman abuse.

A little background for you on the two agencies I'm presenting on: The first one is Faye, and it is a 24-bed shelter here in Thunder Bay. I've listed a number of the services that we provide in an effort to give you the opportunity to discover the full breadth of work that we do with women and children within the community. I wanted to emphasize that our work is with women and with children; sometimes we mistake it just as women, but we definitely are working with children, with a number of programs being offered, anything from working with substance use—we know women that experience violence have used some form of substance in 85% of cases—to a community kitchen that provides basic food, to advocacy within both criminal and family court.

Hoshizaki House in Dryden services Ignace and Vermillion Bay, and they have a 10-bed shelter, so that's a little bit smaller than Faye. They also have a 10-bed second-stage housing, so once a woman has moved out of crisis, they have the opportunity to move into a secure facility that is then supported by programs as well. They have many of the same programs around counselling, a 24-hour crisis line, and transitional and housing support for when they move on.

I wanted to give you just my brief list of gaps in service. In Thunder Bay, we definitely have a lack of affordable housing. You've probably heard that many times and will probably continue to hear that. We have no second-stage housing here in Thunder Bay. We do have priority housing that women can try and access, but that, of course, is limited and we are at, like, a 0% occupancy. This means that women and children are staying in shelter longer, and that translates into a higher usage of tax dollars, of course.

There's a lack of access to affordable transportation and access to services, and the community start-up fund that was cancelled by this government a while ago that allowed women \$1,500 to, really, pay their first and last months' rents, their utilities, and buy furniture—we certainly miss those funds.

We don't have any funding at a provincial level for fathering programs. I wanted to spend a moment to talk to you about our work, funded by United Way, to work with fathers who have been abusive or neglectful of their children, and that this is a key role that shelters can play in regard to keeping women and, more importantly in this case, children safe.

Hoshizaki House in Dryden: Their shelter is falling apart. It is quite old and physically in need of extensive repair. Even though we continue to repair it, we really do need a new shelter. I know we're on the top of the list for the northern region for the shelter, but it is getting worse, so we do need a new shelter. There is a lack of affordable housing in Dryden, and transportation for out-of-town medical appointments. We do service a high population of aboriginal people in both communities, and so getting to those appointments is really important for us.

I want to show you a couple of graphs and I want to talk to you about value for your money, seeing as money was on the table. To show you in this graph, if you look up at the top area where it says "General Government Services," that's where the funding for shelters comes from, out of that 6%. But here, in MCSS, which is our funding agent, you will see that we make up the 3%. So we have 6%, and we're 3% of the 6%. Then, we make up 52%. So overall, shelters receive—

Ms. Dipika Damerla: Sorry. Could you go back—

Ms. Debbie Zweep: One more back? I gave it to you in here as well.

So we get 0.0015% of the provincial spending. I checked my math again this morning because I thought I had too many zeros, so I did it a couple of times—I just wanted to let you know.

I wanted to tell you what you get for that money, because we are system navigators and we guide women through all of the services. If you want to know what services look like, I've given you this additional diagram. When a woman comes in, we don't just give her a bed. We're not a homeless shelter. We're not a hospital bed. We're none of those things. What we are is, we provide all of the services that I've listed on the bottom: the 24-hour crisis line, the advocacy, residential services, counselling, counselling for children, early childhood education. We do case-conferencing with CAS; we do case-conferencing in the family courts. Because we don't have enough lawyers here in either of those communities, we prepare women for mediation if they're in there. We help them apply for restraining orders, emergency custody orders. We get them housed, and we support them through housing. Most importantly, we do safety plans, we do risk assessments. We continue to keep women and children safe. It's really good—what am I going to say?—bang for your buck when you talk about value for your money.

When we looked at that graph earlier—I want you to look at how much money we spend on health. That's a whole lot more money than we spend on women's shelters. I'm going to tell you that I believe government needs to align stronger with women's shelters, that we give you much more bang for your buck, so to speak, in the services that we provide extensively to women and children.

So what do we need? Well, I would ask you first—it will cost the government more money if we weren't in the system. I've just said that, because we aren't a homeless shelter; we're a full-service system. So I would like to ask for a new shelter for Hoshizaki House. It's already on the top of the list. We are desperate for one in the Dryden area. We have no second-stage housing in Thunder Bay. Many communities, including Dryden and Atikokan, have second stage; Thunder Bay has none. We have a zero-occupancy rate—reinstatement of the community start-up dollars so that I'm not going into taxpayers' dollars to help women pay for their utilities and their start-up of first and last month's rent; affordable, accessible transportation, especially in Dryden. We have so many women and children who need to access services, and there is no transportation available to them. And I would ask you to consider funding the Caring Dads program at a provincial level so that we can work with the fathers to keep children and to keep women safe.

That's me.

The Vice-Chair (Ms. Soo Wong): Thank you very much. You have about five minutes for your questions.

Ms. Sarah Campbell: I want to start off by thanking you for that presentation. You do excellent, amazing work. There was a time in my life when I had to stay at Faye Peterson Transition House—I was homeless—and I can testify, or attest, first-hand to the important work that you do. Before I was elected, I was also the past chair of Hoshizaki House. So for those two reasons, I am going to defer the questions to my colleague, but I want to thank you very much for the presentation.

Ms. Debbie Sweep: Thank you.

Mr. John Vanthof: I'd like to, as well, thank you very much for your work and for your presentation. You've opened a lot of our eyes.

My first question is—you mentioned several times that you need new facilities at Hoshizaki House?

Ms. Debbie Sweep: Hoshizaki House, yes.

Mr. John Vanthof: You mentioned you've been on top of the list. How long have you been on top of the list?

Ms. Debbie Sweep: Five years, I believe. Yes.

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Mr. John Vanthof: And just briefly, does the place need new siding or is the place done?

Ms. Debbie Sweep: No, the place is done. We've done the new siding, we've put in the new flooring, we tried all that, the ventilation, the mould—all that stuff. No, there's no hope for this facility. It's on our property, so we have second stage in the back, we have the shelter in the front. We simply need to rebuild that shelter.

Mr. John Vanthof: This is more of an emergency situation than a long-term budget ask for that facility.

Ms. Debbie Sweep: Yes, that would be it for Hoshizaki House. I believe that given the current state, yes, we'll continue to put taxpayers' dollars into that facility and we're still going to have to repair. We just redid our child care room. That was another \$5,000 just to fix that. There are so many things that need fixing.

When I look at Faye Peterson, for instance, because I have the privilege of running that facility, there is no comparison to the service women receive when they walk into Faye Peterson versus when they walk into Hoshizaki House. It's very different, and we share women, so we do see that.

Mr. John Vanthof: I'd like to thank you for bringing that to our attention. My colleague has also brought it to our attention, but I'd like to thank you for coming here to bring it to our attention.

I think we all realize how important this is to the community as a whole. I think where you've brought a different aspect is actually what you do. It's actually value for money, that, in the long run, services like this—governments are always worried about money, and it saves the government money. Could you expand on that?

Ms. Debbie Sweep: If you think that one in four women entering emerg are abused women, that service is far more expensive than coming to a shelter.

Mr. John Vanthof: A couple more points: We realize you're looking for the reinstatement of the—

Ms. Debbie Sweep: Community start-up.

Mr. John Vanthof: —community start-up. And I have a lot of calls about that in my office.

Ms. Debbie Sweep: I bet.

Mr. John Vanthof: But regarding our proposal for when someone is on OW and someone is on ODSP, that they get to keep the first \$200 of their earnings, in your opinion, would that make a difference in some people's lives?

Ms. Debbie Sweep: It would definitely make a difference in some people's lives if they could keep that, absolutely it would. It wouldn't eliminate the need for community start-up, but it definitely would—

Mr. John Vanthof: We're talking two different issues here.

Ms. Debbie Sweep: Yes, we are. It would absolutely make a difference in people's lives.

Mr. John Vanthof: And I'd just like you to, if you could, expand on the community start-up a bit more, what it actually means to people.

Ms. Debbie Sweep: So organizations like Faye Peterson, in a bigger community—you know, I have lots of donations come in for women's furniture, all those kinds of things. But what I don't have is, I don't have the ability to pay first and last month's rent. And in Thunder Bay, where the prices have skyrocketed, it's really hard for a woman to come up with first and last month's rent, so then they live in substandard dwellings. Hence my request for second stage. But it doesn't only do that. It will pay the utilities because we have to pay deposits on

utilities. If they don't get that money, I sort of wonder what the government wonders. Where does that money come from? Well, it's going to come from the budgets, the taxpayers' dollars going in a different area.

We can't keep women in shelter forever. That's not a good use of funds. So in trying to get them into the community and resettled, we have to use those funds, or they have to stay with us longer. Our stays have increased from six weeks to eight weeks to three months. Now we're looking like Toronto shelters. It's a little bit different.

Mr. John Vanthof: So when the second start-up was cancelled, it was replaced—it was supposed to have been replaced by a different—

Ms. Debbie Zweep: Well, it went into the big pot, so that people can make decisions around that, depending on the community. That looks very different in Dryden and it looks very different in Thunder Bay. We have to make a special application and identify what those specific needs are and then there's an individual decision made as opposed to the woman has left an abusive relationship, she hasn't asked for start-up funds for two years and then she is entitled to do this.

There's a certain amount of empowerment in being able to make some decisions for yourself around how you will set up your home with \$1,500.

The Vice-Chair (Ms. Soo Wong): That's great. Thank you very much for your presentation.

Ms. Debbie Zweep: Thank you.

KINNA-AWEYA LEGAL CLINIC

The Vice-Chair (Ms. Soo Wong): The next speaker is Kinna-Aweya Legal Clinic, Sally Colquhoun. Thank you. Could you introduce yourself?

Ms. Sally Colquhoun: Good morning. My name is Sally Colquhoun, and I'm the coordinator of legal services at the Kinna-Aweya Legal Clinic. Our office is funded by Legal Aid Ontario to provide poverty law services to low-income residents of the district of Thunder Bay—so not just in the city of Thunder Bay, but the entire district. We have branch offices in Marathon and Geraldton and we travel to Armstrong, Nipigon and a number of smaller communities in the district, which is geographically quite large.

We focus primarily on income maintenance issues and tenancy matters. In addition to providing summary legal advice and ongoing representation to individual clients, we also provide community legal education, and we do community development and law reform work towards systemic solutions for the problems that our clients face with respect to the social assistance system and housing issues primarily, but other issues as well.

Our clients have to be financially eligible for our services. Most of our clients are on social assistance, either in the Ontario Works program or the Ontario Disability Support Program; some people are on Canada pension, disability benefits or retirement benefits. But for the most part, the people that we represent are people

who are struggling to survive on social assistance in Ontario, a struggle that is becoming more and more desperate.

Our office welcomes this opportunity to speak on behalf of our clients and to urge the government to recommend a significant increase in spending on social assistance and housing in the coming budget. I am aware that Albert Einstein said that the definition of insanity is doing the same thing over and over again and expecting a different result. I expect that some people who have heard me before are going to think that I am verging on insanity because they've heard me speak on these issues in the past with very little result, but I am hoping that there will be a different result this year.

I am here once again to urge you to make poverty reduction an important priority in the coming year, and to follow the recommendation of the Commission for the Review of Social Assistance in Ontario to increase rates for Ontario Works recipients by at least \$100 immediately. That was the number one recommendation in the commission's recent report: that Ontario Works rates have to be increased. They are far too low. The amounts paid for social assistance in Ontario are hopelessly inadequate when compared with the actual cost of basic needs—we're just talking about shelter and food. The gap between what families and individuals receive when they're on social assistance and what they need in order to pay rent and buy food is hundreds of dollars a month in all communities in Ontario.

It's important to remember that we're talking about people who, everyone agrees, need to rely on social assistance for their basic needs. We're proud in Ontario of the fact that there is a social safety net to protect people who are temporarily out of work, people who are involved in participation requirements in order to maintain their eligibility for social assistance, people who are doing everything they can to find work or who are unable to work for a period of time because of health problems or other crises, or people who are recognized to have disabilities that restrict their ability to function in a workplace. They've been through all the hoops; they've been recognized that they're eligible for social assistance. We want to live in a province where those vulnerable people have income support so that they can provide for the basic needs of themselves and their families.

People who rely on social assistance should get enough money every month to pay rent and buy food. There needs to be a significant increase in the social assistance rates; it's not effective to try to deal with these sadly inadequate rates through miniscule percentage increases.

Decreasing the number of families living in dire poverty would positively affect the budget in other areas. Poor people have more health problems; children living in poverty have more challenges in the education system; people end up in the criminal justice system because of poverty; and social assistance recipients would die without food banks and soup kitchens. This isn't because they lack budgeting skills or because they're frivolous

with their money; it's because they don't get enough money in a month to allow them to pay rent and eat every day.

The federal government should be taking the lead in developing a national poverty reduction strategy and a national housing strategy and providing additional funding. At the present time, the federal government is not taking that lead, but it's important for the provincial government to continue to work towards that.

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The Senate committee on social affairs, science and technology produced a report in 2009 called *In From the Margins: A Call to Action on Poverty, Housing and Homelessness*. It's a compelling document, outlining numerous concrete recommendations that would result in the eradication of poverty. It's really interesting: It's a bipartisan document—both Conservative and Liberal senators in agreement that poverty reduction is not just the morally right thing to do; it is also essential to a productive and expanding economy.

Poverty expands health care costs and policing burdens, and leads to diminished educational outcomes. This depresses productivity and labour force flexibility.

There are all sorts of reasons. Really, everybody who knows anything about this sort of thing will tell you that poverty reduction does lead to economic expansion and social progress, so it's essential for the provincial government to move ahead with poverty reduction.

If people get enough money to pay rent and buy groceries, they will. We won't need a food bank industry.

Build affordable housing, and fewer people will need emergency shelter, which actually costs more per month than giving people enough money to pay rent.

Fund affordable, licensed daycare so that parents can work, at a minimum wage that brings them up to the poverty line.

In these difficult economic times, recognize that an increase to social assistance rates will stimulate the economy. Every single penny of an increase in social assistance rates is going to be spent in Ontario.

Last year's budget included a 2% increase to social assistance rates. You're thinking, "Well, I wouldn't mind a 2% raise." But 2% of the \$599 that a single person got on Ontario Works last year translates to an additional \$12 month—a month. This year, a single person on Ontario Works is entitled to \$611 a month for everything: rent, food, clothing, transportation. Sometimes you might get additional money for a bus pass if you're looking for work. In a province where the average cost just for a bachelor apartment is about \$750 a month—that's more than the entire monthly benefit for a single person.

At the same time that the budget provided for this very small increase, there were changes made in the social assistance programs that amounted to a significant decrease in social assistance. Two programs—the Community Start Up and Maintenance Benefit that you briefly talked about with the previous speaker, and the home repair benefit—were cancelled without any prior consultation.

Some of the funding that used to support the CSUMB has been transferred to a consolidated homelessness prevention initiative, and that program has been downloaded to municipalities to administer. In most municipalities, payments from the CHPI will be available to all low-income people, not just people on social assistance. In a nutshell, municipalities will have less funding to provide assistance to more people. We have serious concerns about the new program.

CSUMB was the only way for people on social assistance to pay for large expenses relating to their housing needs, such as a last month's rent deposit.

Expanding eligibility to all low-income people while at the same time reducing the amount of money available is not sound social policy.

CSUMB was a needs-based program. If a person met the criteria, they were entitled to receive the benefit. The amount spent from year to year fluctuated, depending on people's needs. Now the annual funding is capped, and our DSSAB in Thunder Bay has been very upfront, saying that they expect that they're going to run out of money at some point during the year. So what happens to the woman who has fled an abusive relationship and is staying at Faye Peterson house, who needs a last month's rent deposit? She's not going to be able to get money from that program.

The benefits that are available are going to vary from municipality to municipality, undermining the principle that people who rely on social assistance should have consistent access to benefits across the province, in every municipality.

The denial of a CSUMB application used to be an appealable decision. Payments under this new program are going to be totally discretionary, with no appeal rights if a person is denied.

The government made a commitment to reducing poverty in Ontario in passing the Poverty Reduction Act in 2009, which received unanimous support in the Legislature. But instead of reducing poverty, the government has made budget decisions that are going to increase poverty.

For a single person on Ontario Works who accessed the CSUMB once every two years, the cancellation of the program amounts to a 5.5% reduction in their income support.

On the home repair benefit, just briefly: It has been cancelled. Municipalities have been told that the CHPI funding cannot be used to pay for emergency home repair benefits. There are many areas of the province where home ownership is in some cases more affordable than renting, including Thunder Bay. You can get small houses here for \$75,000 or \$80,000. You can own a mobile home for \$25,000. But if you're on social assistance and you own your own home, there needs to be somewhere where you can get assistance for emergency home repairs. We're talking about the furnace needing repairs in January. Referring somebody to some kind of program like the RRAP program that actually provides renovations is inadequate.

Locally, we had a very innovative project at a local credit union, the homeowner mortgage assistance program, which was the first program in Canada established to help people on ODSP purchase their own home. But the program has been suspended because of the cancellation of the ODSP home repair benefit, because access to funding for emergency home repairs was an important part of the program. So we ask that the CSUMB and the HRB be reinstated as needs-based social assistance programs.

I'll just briefly tell you that the lack of affordable housing—several previous speakers have spoken about it—is becoming a crisis in many communities. We have an extremely low vacancy rate in Thunder Bay. I just came from the Landlord and Tenant Board hearings where people are being evicted. They have nowhere to go; they can't find alternative housing. There's a local mental health agency that gets funding for rent supplements to help pay rent for their clients who they support. They can't find apartments. They've got the money to help people pay rent, and they can't find apartments for them. We need bricks and mortar. We need housing. We need actual housing built. It's cheaper in the long term to provide adequate housing and adequate income to vulnerable people than to pay for the costs associated with homelessness, both in terms of dollars and, more importantly, in terms of hardship and despair.

We appreciate the opportunity to provide our input to you. We recognize that there are numerous competing demands as the government plans the budget for the province, and we urge you to remember the most vulnerable citizens of Ontario in your difficult budgeting process.

The Vice-Chair (Ms. Soo Wong): Thank you for your presentation. This round of questions is for the government.

Ms. Dipika Damerla: How long do we have?

The Vice-Chair (Ms. Soo Wong): Four minutes.

Ms. Dipika Damerla: Okay. Thank you, Ms.—how do you say it?

Ms. Sally Colquhoun: Colquhoun. It's not as hard as it looks.

Ms. Dipika Damerla: Okay, Colquhoun. Thank you so much for your very eloquent, very passionate brief. You advocate very well on behalf of your clients.

I just want you to know that I was very interested in what you said for many, many reasons, including the fact that I am on the cabinet committee for poverty reduction. As you know, Premier Wynne has made poverty reduction—she has said that she wants to be the social justice Premier as well, so certainly it is on our radar.

I read something very fascinating. There's a book called *How Children Succeed*. In that, the author talks about the fact that in the early 1960s, President Kennedy, I think it was, made a commitment to put a man on the moon and reduce poverty. We've put a man on the moon but not made much of a dent in reducing poverty. This is governments of all stripes, and not necessarily for lack of money or resources, but it just hasn't worked.

The part that I'm really interested in—it's two things. One is, you referenced the Frances Lankin-Munir Sheikh report. What do you think of the recommendation that says that they be allowed to keep a portion of the money if they earn money? If they take up a job, there's no clawback, I guess, of their Ontario Works. What do you think of that?

Ms. Sally Colquhoun: Ontario Works and Ontario disability: Currently they start—

Ms. Dipika Damerla: The clawback.

Ms. Sally Colquhoun: From the first dollar that you earn, 50% of it is deducted from your cheque. I think it would be very helpful for many people who are trying to re-enter the workforce to be able to keep more of the money that they're earning.

Ms. Dipika Damerla: So you're very supportive of that?

Ms. Sally Colquhoun: Absolutely.

Ms. Dipika Damerla: I thought as much.

The other thing that the Lankin report talks about is that the average stay of somebody on Ontario Works is quite short, actually. It's four to six weeks, which is very encouraging. But it also talks about the fact that 40%, I think, will come back pretty quickly, and therein lies, I think, an opportunity for us to help these people.

I'm just curious, because you work so closely with them. What could we do? What kind of additional supports could we give so they don't come back and they can hang on to the job or whatever it is that allowed them to get off it in the first place?

Ms. Sally Colquhoun: Well, it's a very complicated question, but there are lots of different issues. There's the issue of seasonal work in communities. There's the issue of people having the necessary education in order to get jobs. But currently, the Ontario Works program does not offer much in terms of actual supports to helping people get back to work.

Ms. Dipika Damerla: That's true, yes.

Ms. Sally Colquhoun: It's very heavy on the policing aspects of the program. People are getting cut off because they don't have a copy of their birth certificate, because of the auditing requirements for the program. So the workers are spending a lot of time policing and making sure that all the hoops are jumped through, but there isn't much in terms of actual support to helping people deal with the barriers to employment that they have. Any kind of programming of that nature, you don't have to make it mandatory, because people want to be involved in the workforce. People would prefer to be working than to being on social assistance, but a lot of people have significant barriers to doing that.

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Ms. Dipika Damerla: So do you have any suggestions of what kind of supports the government could give? Because that would be something that could be looked at. What additional supports could the government give?

Ms. Sally Colquhoun: Supports in terms of additional education—

Ms. Dipika Damerla: Education, yes. What are your thoughts on that?

Ms. Sally Colquhoun: And—

Ms. Dipika Damerla: Job training, skills training—

Ms. Sally Colquhoun: Job training, skills training—all those sorts of things.

Ms. Dipika Damerla: But do you know of any programs that are in the not-for-profit sector that we could look at?

Ms. Sally Colquhoun: That's not actually my area of expertise.

Ms. Dipika Damerla: No? Okay, all right. Thank you so much.

The Vice-Chair (Ms. Soo Wong): Thank you for your presentation.

MR. GEORGE SAARINEN

The Vice-Chair (Ms. Soo Wong): The next witness is the Lakehead District School Board. George Saarinen, the public school board trustee: Can you identify yourself?

Mr. George Saarinen: Okay, good morning. My name is George Saarinen, and I'm an independent trustee of the Lakehead public school board here in Thunder Bay. I'm representing myself and not the views of the school board or any other trustees. I just wanted to make everyone aware.

I welcome you all to Thunder Bay and feel honoured that we were included in the pre-budget consultation process. Thank you very much.

I just wanted to talk briefly about public education. Public education is key to the success of all students. At Lakehead Public Schools, our vision talks about "your children—our students—the future." I am here today to advocate for additional funding for the youth of Ontario so they have a brighter future in tomorrow's world.

Adequately funded school boards are key to student success. We are striving to achieve a greater number of students graduating from grade 12 to either the workforce or on to post-secondary education. We need increased funding to provide the tools for our staff to teach the students to better themselves in tomorrow's world.

Learning and technology in the digital age: We need to re-establish the technology budget line, to enable school boards to continue to adequately implement a staff plan to provide reasonable and equitable access to current technology.

Technology and textbook budgets have been reduced. I've been budget chair for the last few years so I'm quite familiar with that. It makes it difficult to provide opportunities for our students to excel in learning.

At Lakehead Public Schools we have a three-year implementation plan to have smart boards in every school and in as many classrooms as possible, to provide technology to the students to help them learn. Unfortunately, due to budget shortfalls, we've had to dip into reserve funds to pay for this program, to the tune of \$2.6 million.

Open Minds, Healthy Minds is the government of Ontario's comprehensive strategy to address mental health and addiction issues for Ontarians. The first three years will be focused on children and youth. As trustees, we advocate for the multi-year, phased-in approach to support a full continuum of mental health issues and services in our schools. Extend mental health leads to all boards. We already have one at Lakehead Public Schools; it's great.

Provide an increase in the number of mental health workers and registered nurses in the schools across the province. Our secondary schools already have social workers in every secondary school who are working with the mental health lead and the addictions nurse to meet the needs of our students. Together, we as a community can help the students who need help with mental health or addictions issues.

PPM 150 is the school food-and-beverage policy. It has caused an impact on our school cafeterias. We are one of the few school boards that employ our employees to work in the cafeterias. Unfortunately, with the mandate to have healthy food alternatives, many students choose to leave school and head to the local greasy spoon or a fast food place that serves what they want. I am asking the government for additional funding supports to enable boards like ours to meet the needs of the secondary students through sustainable operations of our cafeterias. The cost of healthy food alternatives is more than the food we previously offered. And another thing: They also talk about buying local food. If we want to buy local food, we need the money to do that.

Also, we have had to cut services to students, so breakfast and nutrition programs that were previously available are not in the cafeteria. Our cafeterias are only open over the lunch hour, and they're reduced to a skeleton crew. Prior, they were open for breakfast and snack programs.

When changing acts, please support programs with sustainable funding; that's my request. Cafeterias do make a difference in our students' lives for years and continue to make a difference. Many students would rather talk to cafeteria staff than their guidance counselor, social worker or administrator.

We are unique in the northwest sector of the province in that we have a growing urban aboriginal population. Many of the urban aboriginal youth are attending our schools. In some instances, the students are behind their counterparts in the classroom. School boards must provide additional supports through staffing of educational assistants and resource teachers, and individual learning opportunities for the students to catch up.

The term "urban aboriginal" refers to First Nations people who have no supports from their First Nations home. There are no ties to any specific First Nation so there are no federal funding dollars to accompany these students into our system. We need to find supports for students who need them out of the existing education dollars.

School boards must put more money into special education and its supports due to the fact that the needs

are greater than the special education funding allows. I am asking that the Ontario budget realize the shortfalls in special education funding for all students who have needs. Some students are not identified as needs students and just need a little help to get through. Many of our students fall through the cracks, and there are no support dollars or people available to help them make it through high school. We have students with needs in our schools who have little or no supports to help them succeed. How will these students graduate and become successful in tomorrow's world?

School boards and schools have breakfast and nutrition programs. There are many students who come to school hungry on a regular basis. We have partnerships with many groups, like the Red Cross, who operate breakfast and nutrition programs. For these students, this is the only meal of the day. Having provincial funding for breakfast programs would support and improve student learning and achievement.

Capital funding remains a shortfall with boards. We have aging schools. Many of them need replacement boilers, windows, exterior doors and roofs. Our maintenance personnel and board office are trying to extend the life of the present structures. Sometimes, we may get 30 years out of a roof that should have been replaced after 20. We are operating safe, clean schools that are inviting and conducive to student learning, but we need additional operational funding and capital funding to maintain these structures for student learning for years to come.

We presently fund a secondary school with the International Baccalaureate program. We have supported the costs of this at Sir Winston Churchill Collegiate and Vocational Institute for many years. Lakehead Public Schools picks up the cost to run the IB program that serves hundreds of students in our board. The Ministry of Education should fund school programs such as the IB program across the province.

The remote school boards were amalgamated into the district school boards about a few years ago, I'd say. We are now responsible for two elementary schools, one in Armstrong, Ontario, which is northeast of Thunder Bay—it's a couple hours' drive up Highway 527 on the CN main line—and the Bernier-Stokes school in Collins, which is 30 miles down the CN main line. Administration must send supports up to Armstrong and Collins for student improvement and professional development opportunities for our staff. We are now dealing with two remote school board, 200 kilometres plus.

With the remote schools has come the Territorial Student Program, which administers the boarding of the remote students in Thunder Bay for their secondary school education. The TSP has been a successful program, but has limited funding for the host families, providing only \$500 a month for room and board. Many of the students are First Nations and this is their first time in a larger centre.

I feel more money needs to be spent for the school board counsellor who works with the student and provides recreational, social, emotional and community sup-

ports for the student during their time in Thunder Bay. As this is a unique program that only affects a few school boards, we feel additional financial supports are needed for the students in the cost for room and board and supports for them to receive their secondary school graduation diplomas.

Opportunities for youth in our communities are key to their success. It is important to have the Thunder Bay Boys and Girls Clubs thrive. Provincial funding would aid this group. There are many young people who attend their programs after school, on weekends and PD days.

Shelter House, which was mentioned earlier, looks after the needs of the most vulnerable members of our community without a roof over their heads. Often this group is the silent majority because there are not enough advocates out there to support them. Funding the homeless shelters across the province would help their needs. With the closure of psychiatric hospitals, many beds have been lost, and patients in the community have limited or no supports.

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This is one near and dear to my heart: The Junior Ranger Program was operated by the Ministry of Natural Resources. This program was an opportunity for 17-year-olds to meet challenges, meet new opportunities and see other parts of the province they may not have otherwise experienced. It's truly unfortunate such a valuable program was cut by the government. My youngest daughter Kaija attended the Junior Ranger Program eight years ago at Moose Lake near the Frost learning centre near Huntsville. To hear what these young people did over a summer of blazing trails, cleaning up after campers and giving back to the natural world we all take for granted—it was a summer of personal growth, learning to work as a team, learning independence and developing new skills. Lifelong friends were cemented over eight weeks. And she had no electricity; that was great—in junior ranger camps. It is my hope that the Junior Ranger Program will be reinstated for the youth of today and tomorrow to enjoy and see the nature and beauty of our province. They are the future leaders of tomorrow.

When I was first elected to the school board in 2006, I thought I would be able to move mountains for the betterment of student success and education. I found that I can't move mountains but I can sure divert a stream to better enrich and improve the opportunities for our students and youth of today who will be the next generation of leaders of tomorrow's world. It is my hope that some of my suggestions will be taken to heart and applied to the budget process.

Again, I would like to thank the members for coming to Thunder Bay and allowing me the opportunity to present.

The Vice-Chair (Ms. Soo Wong): Thank you very much. The questions are from Mr. McNaughton.

Mr. Monte McNaughton: Thank you very much. That was an excellent presentation. There are just a couple of things I wanted to get your opinion on. The current government is spending \$8.5 billion more on edu-

cation, yet there are 250,000 fewer students in Ontario's education system. You have quite a few asks in your presentation. I guess my question is, where would you recommend the government find the money?

Mr. George Saarinén: I would have to say, near and dear to my heart is special education. For years, that's been bounced around. Students have to be identified, but there are so many students out there who aren't identified, who just need that little boost to help them through. But special ed funding for all students would be—

Mr. Monte McNaughton: No, but where would you recommend that money come from?

Mr. George Saarinén: Where would it come from?

Mr. Monte McNaughton: Through savings in the education system or raising taxes?

Mr. George Saarinén: I'll be shot for this, but taxes and savings; I'll say it.

Mr. Monte McNaughton: In your opinion, where could savings be found in the education system?

Mr. George Saarinén: That is a very difficult question, because the school boards have been running on such a strict budget line for the past few years. There's no way, I don't think, we can save any more. We are just so bare bones here.

Mr. Monte McNaughton: The only thing I will push a bit on—

Mr. George Saarinén: By all means.

Mr. Monte McNaughton: We saw last week the release of Ontario's sunshine list, and the number of people now making over \$100,000 a year is almost 90,000. Back in 2003, I think that number was about 20,000. I notice that a lot of school boards across Ontario have a lot of \$100,000 people, including superintendents and teachers on that list.

Mr. George Saarinén: I have to say, through the collective agreements, a lot of the teachers are making the \$100,000 mark. They may call our superintendents and directors overpaid, but we have fewer superintendents and we have very hard-working superintendents and directors. I'm CAW; I'm as union as they go. You know what? I am very supportive of our management team for the jobs they do, working 24 hours a day. Even though they are making a salary, they're worth that money.

Mr. Monte McNaughton: Okay. Our PC Party education critic Lisa MacLeod put out a white paper—

Mr. George Saarinén: I read it.

Mr. Monte McNaughton: Good. We talk about special education in there—an emphasis on that, and also an emphasis on eliminating some superintendent positions across the province and giving more power and control of schools to principals. Do you have an opinion on that?

Mr. George Saarinén: I have an opinion on everything. Unfortunately, I see so much has been downloaded on the principals. I started with school councils in 1996. The principals are doing so much already, and every year there seems to be more axe. A lot of the PPMs that have come through the last couple of years—there's more responsibility, specifically for the principal—bullying,

you name it. So I really think the principals are downloaded to the hilt right now. Unfortunately, they've been given so many duties, and if a few more are thrown their way, I think that's just a little too much. As much as I don't like management, I have to support superintendents.

Mr. Monte McNaughton: Okay. One thing I wanted to ask—and I should have asked this in the beginning—would you say that your view differs from the school board? I'm just curious why you're here representing yourself and not the entire school board.

Mr. George Saarinén: Well, I'm just here as an independent trustee just speaking my mind. Someone had to advocate for education, and I have to specifically say, public education, because public education rocks in Ontario. The past three governments have done great jobs with education, I have to give everyone credit there. Public education is key to our students' success. I don't know if I answered that, I'm sorry.

Mr. Monte McNaughton: It's okay. The one question I was excited to get to was about the Junior Ranger Program. My brother was a Junior Ranger many years ago now. I actually didn't realize that the government cut this in last year's budget. What was the cost for that program?

Mr. George Saarinén: I honestly don't know. All I know is a lot of the youth from northern Ontario went south, the ones from the south came north—

Mr. Monte McNaughton: Yes, I'm really familiar with it.

Mr. George Saarinén: It was embarrassing. My daughter saw corn crops for the first time in her life, and she kept saying, "What are those?" You know, she was a northern kid.

I don't know the cost, but just the enrichment and what the students learned and the leadership—

Mr. Monte McNaughton: Was there any consultation about that or did that catch the north off guard?

Mr. George Saarinén: I honestly don't know.

Mr. Monte McNaughton: It was, maybe, a made-in-Toronto decision.

Mr. George Saarinén: Well, like I say, I can't answer that question because I'm not aware.

The Vice-Chair (Ms. Soo Wong): Thank you very much for your presentation.

Mr. Monte McNaughton: That's a good program.

Mr. George Saarinén: I just wanted to add: I support United Way, and over the lunch hour I'm doing the billboard challenge, if anyone wants to support me in that effort.

The Vice-Chair (Ms. Soo Wong): Thank you.

TOWNSHIP OF NIPIGON

The Vice-Chair (Ms. Soo Wong): The next witness is from the township of Nipigon: Mayor Richard Harvey. Your Worship?

Mr. Richard Harvey: Thank you very much for the opportunity to be here. I'd just like to quote George. I

love the one comment he made there, that “I may not be able to move mountains, but I can divert a stream.” I think that is what we’re all here to try to do today: to divert the streams, the streams of the cash flow, and how it moves.

If I could just go back to one question you asked regarding the rangers, as a municipal politician in northwestern Ontario, I know that for most of us, as municipal politicians, that did come as a shock. That was something that we were not overly aware was coming down the pipeline, so, although that’s not in anything I have here, I would just add that in.

I really appreciate being able to be here. Thank you for this opportunity to speak. I’m here speaking on behalf, of course, of the residents, the citizens, of the township of Nipigon, but also for, I believe, all communities in northern Ontario—in rural northern communities—that are not dissimilar to Nipigon.

I’ll just give you a bit of a background on our municipality. We’re a municipality of just under 1,800 people. We are one of the municipalities that has lost our entire industrial base. In 2006, we had our major employer shut down—a paper mill—and in 2007, our second-largest employer burned to the ground. It’s not a good thing to do when you’re just getting into politics, but we’ve been working on the process, and since that time, we’ve been continually working at trying to look at how we can have all of northwestern Ontario recovering and working together.

One of the messages that I am very much here—we had, already, the made-in-Toronto decision reference made, and as you do your budget deliberations, I really want to encourage everyone involved to move away from that Toronto-centric way of viewing decision-making, to move away from that made-in-Toronto type of decision-making, and look at what is good and what is going to benefit the entire province.

The reality is that the province of Ontario, the industry of southern Ontario, is fed by the resources from northwestern Ontario, and there have been a lot of decisions made recently. We look at the Far North Act and something that has been highly condemned throughout northwestern Ontario here. We look at a lot of resource-based decisions that have been made, the lack of attention to the things like the Ring of Fire, a lot of these things—and that’s just one example of how decisions need to take into account, to have full consultation with what’s happening here in northwestern Ontario. We may not have as many votes as the 416 area code does, but the reality is the decisions made up here, decisions made that benefit northwestern Ontario, have an incredible benefit on southern Ontario as well.

So I want to just talk on a few different things. One is just looking at some suggestions and comments as you’re looking at the cuts that we do understand and we recognize are coming—the reductions that have to be made.

1140

Another question was asked earlier: Do you raise taxes or do you seek savings? We’re in budget deliberations in

our municipality right now, and the reality is that the message I continually hear—and I’m sure you are predominantly hearing it when you’re outside of rooms full of people who are looking for money for things—is that the people of Ontario don’t want their taxes going up right now.

So with this in mind, we want you to know we recognize and we fully realize that there are real challenges there that are faced by the Ontario government regarding just the reducing of the deficit. It has to be tackled. We can’t wait any longer. We can’t pass this legacy on to our children. We have to attack it. But it’s really important that as that happens, good decisions based on all of Ontario have to be made as far as what programs are cut back—what programs, what things, and how do we get the most bang for our bucks?

One of the things that is of real concern to us here in northern Ontario is the whole public sector job situation. Again, I realize and I fully understand that there have to be reductions made. The spending has ballooned; I understand that. Yet at the same time, we have to look at where we can be most effective and the most efficient at making these cuts. The reality is that I think most of us from time to time—we’ve seen these studies; we’ve had consultants. The so-called experts have been telling us that you get more bang for your buck as you have those public sector jobs in the smaller communities, in the north. It has often been quoted that the economic impact on the community of having a public sector job in Toronto is not nearly as significant as it is in a place like Thunder Bay. And likewise, if you take that same public sector job and put it into one of the smaller communities, the economic impact on the community is immense.

Right now, there is a perception out there—and I’ll say it’s a perception; whether it’s true or not, we could debate for a long time, and I’d rather not get into that debate. There’s a perception that the higher proportion of job cuts are in the north, that they’re taking place in rural areas, that we’re keeping the positions in Peterborough, and I always come back to the MNR because it’s so important for us, and yet the field workers, our conservation officers, the people who are in the communities, who are doing the research, who are gathering the information—those are the jobs; that’s where we see cuts being made. The people who are doing the red tape, filling out paperwork, writing final reports, doing the duplication of services that we seem to be seeing more and more now—those jobs seem to be safe.

I want to really just encourage you, as you look at reductions, to look at that aspect of who is actually in the field, who is out in the community. Take the MNR. One of the district offices for the MNR is in Nipigon. It is our second-largest employer, next to the hospital. But going past that, one of the things that we as a municipality—as we work on infrastructure planning, we’re doing a lot with our stormwater management, something I’m very passionate about and really want to see us tackle. And as we work, having people with the Ministry of Natural Resources living in the community, who are there, who understand, who comprehend, who fully are engaged—

we can use these resources. This, I believe, is really important to have. We need to keep the people there.

Look for savings at the other end of the spectrum. Look for savings at the more senior positions. Look for savings, if you like, in the actual administrative sides of things. Are there ministries that could be put together just for the administration side of things, yet keep the actual boots on the ground? That's what we want to call on, to look at that whole aspect and make sure we move back to that decentralized view.

Up here, we talk about when the Emperor of the North was running things, good old Leo Bernier, and we had the northern development. It was in communities throughout northwestern Ontario. There were fewer employees, I understand, there were fewer public sector workers, but the impact was great because they were in all of the northern communities. That's the first thing that we wanted to certainly touch on and emphasize. I think it's really important to make sure those jobs are staying here. That's not the place to make the cuts. The perception is that that's where cuts have been made in the last few years.

Another thing: Obviously, as a municipality, we want to touch on infrastructure funding. Throughout Canada, throughout North America, our infrastructure is crumbling. We know that. We are addressing it as a municipality. We have been working very hard at this.

One of the things that we do recognize as well, though—again, for rural communities—is the fact that in rural communities, it's hard to get private sector investment in the infrastructure because the return on the money for those private sectors is not as large. And yet, if we can get those people investing, they will build their businesses, but to make the investment of actually putting their money into helping with the infrastructure—our ask here is to look at and consider whether there are, in areas that are not as financially viable, ways that it might be more difficult for business to come in, for industry to come in or for small manufacturing to come in, to have things such as forgivable loans for investment by the private sector in that infrastructure to get the services that they need—looking at those kinds of things.

We also—again, you've heard it many times: non-conditional infrastructure funding. In other words, continued, ongoing, sustainable—we really appreciate things like the OMPF funding; fantastic, but we're always sitting there, coming right to the end: "Are we going to get it again next year? Is it going to come in?" To know for our long-term planning, we need to know that that funding is going to be there and it's sustainable.

We love what the federal government has done with the gas tax: that they've made it permanent. Not only have they made it permanent, but the gas tax can be used for many things. The provincial gas tax: It's wonderful if you have a transit system. Most small communities don't have transit systems. We have other needs that we need to be addressing. I would really encourage you: Look at and move towards the same direction the federal government has gone with the gas taxes so that it's more

universally accessible by more communities. Right now, a very small number of communities in Ontario can access that. Please, move forward with that.

I'm running through quickly because I know I've got very limited time here, but I just want to touch on a few other areas that seem to never really be a priority. While you're looking at having to cut in many areas, I'd encourage, especially for northern Ontario, in the area of tourism—we've got wonderful opportunities in tourism. We really appreciate things like the Tourism Development Fund, a great fund for coming up with plans and ideas of how to develop tourism. It's really hard to access a lot of the time, and there doesn't seem to be enough money there, but then, once we have the plans, again, getting the infrastructure investment from the private sector is always more difficult. We need to also have tourism infrastructure funding made available—funding that, once we have the plans in place, will help the municipalities to develop those plans. That is really important.

Finally, I just want to cover one thing that's been really hitting us in northern Ontario. We've had a lot of comments about affordable housing. One of the things is that, in many of the smaller communities, having affordable housing is not as big of an issue, but it's the duplicity of services again. As I said, in Nipigon, for 1,800 people—less than 1,800; I'd like to claim it's 1,800, but we're a little less—we actually have four different publicly funded agencies that are providing the housing services. That makes no sense.

Thunder Bay DSSAB has talked about the importance of de-fracturing the system, and instead we see the system becoming more and fractured, where more and more agencies are involved. We need to bring that together, look for savings there in the housing and how it's administered, and then also look at seniors' housing issues. We applaud the government's move towards keeping seniors in their homes longer, but we're recognizing a real problem, because eventually all of us will have to move out of our homes and into long-term-care facilities. We need those transitional services available. The reality is that our seniors stay in their homes longer in our small rural communities, and the next thing we know, they have to be moved out of their comfort zone, away from their communities and away from their family because there are no long-term-care facilities and beds available in the communities.

I'll end it there, because I know everyone is looking at their watches.

The Vice-Chair (Ms. Soo Wong): Okay. Mayor, we only have one minute for questions.

Ms. Sarah Campbell: Thank you for your presentation. One of the things that you talked about is the challenges of infrastructure investment in the north. One of the recent suggestions by Premier Wynne is to create toll roads as a means of helping municipalities fund roads, bridges and culverts. I'm wondering what your opinion of this plan is and if it's something that you would support.

Mr. Richard Harvey: Well, I've always said I'd love to be able to put a toll right on the Nipigon river bridge,

seeing as it's the only road that goes across Canada. I'd love to do that, and every last person that goes through my town can pay. I don't think that's going to go over. I don't think that in this area—that may make sense down in southern Ontario. Again, this is that made-in-Toronto type of idea where you've got a choice of roads people can use, so if you want to use the faster or the more efficient road or whatever it is, pay.

1150

In northern Ontario, there is one road across Canada and it goes through my town. There is no other way across. If we start putting tolls on those roads—that just does not make sense. That is not a northern solution. I would not be supportive of that.

Ms. Sarah Campbell: Thank you very much.

The Vice-Chair (Ms. Soo Wong): Thank you, Mayor.

Mr. Richard Harvey: Thank you very much for your time.

MARY BERGLUND COMMUNITY HEALTH CENTRE

The Vice-Chair (Ms. Soo Wong): All right. The next speakers are Warren Clark and Gloria Pronger from the Mary Berglund Community Health Centre. Can you identify yourself for the Hansard?

Ms. Gloria Pronger: I have a document.

Ms. Cindy Winser: I'm Cindy Winser. I'm here for Warren. I'm a member of the board.

The Vice-Chair (Ms. Soo Wong): That's great, Cindy.

Ms. Cindy Winser: I'm a member of the board.

The Vice-Chair (Ms. Soo Wong): That's great. Thank you. You can start.

Ms. Gloria Pronger: Good morning. Thank you for having us here. I am just going to review this document, if you don't mind, so I can stay on time.

Please accept the gratitude of the board of directors and administration of the Mary Berglund Community Health Centre for this opportunity to present to the Standing Committee on Finance and Economic Affairs's pre-budget consultations process. We also extend gratitude to our local MPP, Sarah Campbell, for her ongoing support and encouragement.

We are currently awaiting a response from the Ministry of Health and Long-Term Care and/or the Ministry of Infrastructure from correspondence sent to Helen Angus and Bob Chiarelli in early February 2013, expressing our concerns and requesting provincial assistance in resolving them.

The Mary Berglund Community Health Centre has a deeply rooted history in the community of Ignace. Mary Berglund, the registered nurse for whom the health centre was named, arrived before the TransCanada Highway was built. She served the community alone for decades, without government remuneration of any kind.

The health centre provides the only primary care, urgent care, health promotion and illness prevention between the communities of Dryden and Thunder Bay—

and that's a four-hour drive. We offer a range of services, including mental health and family counselling; advanced foot care; chiropody; physiotherapy; cardiac rehabilitation; seniors' services; chronic disease management; massage therapy; chiropractic care; focused wellness clinics; telemedicine; home visiting in Ignace and Savant Lake; a food bank; a community garden; and a broad range of community engagement and health promotion activities.

The current health centre has two full dentist suites, but the community has not had a dentist for over eight years. Clients who can afford dental care seek services in Dryden or Thunder Bay. The only dental care offered to Ignace is offered to people who meet the rigid criteria of the public health units' Healthy Smiles program, which is provided by the Northwestern Health Unit. For example, if you make \$20,000 a year, you meet the criteria. If you make \$21,000 a year, you do not meet the criteria.

We offer our space at no cost to the public health unit twice yearly. We work in partnership with many other organizations locally and regionally.

Ignace is on the potential cusp of significant economic change related to the scheduled opening of a new sawmill in our area by Resolute Forest Products. There will be approximately 300 jobs between the plant and the woodlands.

In addition, although the most recent census has identified 1,300 Ignace residents, the health centre has recently done an aboriginal needs assessment and has identified at least 350 aboriginal people who have moved to Ignace from northern First Nations communities. The health centre must be poised to meet the needs of a larger population within the next few months.

Governance is provided by a locally elected nine-member board, which includes broad representation from the catchment area we serve. Ignace is a designated francophone community, and the makeup of our board ensures this representation. Other directors represent the growing retirement population. For example, we are honoured to have the retired Minister of Education from Manitoba serve on our board. In fact, she helped to craft this document. The outlying community of Savant Lake, which includes people from various First Nation communities, is also represented.

The health centre recently received a four-year accreditation award from the Canadian council of accreditation. Special commendations were received by the accreditation team for innovation and our capacity to respond to the unique and challenging needs of a community that has undergone monumental losses in the last 20 years.

Our services are highly valued, not only by our local community, but clients from other communities such as Kenora, Dryden, Upsala, Savant Lake, Wabigoon and Thunder Bay. Clients will travel two to three hours for an appointment. We serve seasonal residents who come from other areas of the province, other provinces and other countries. We have at times assisted the local ambulance in the stabilization of highway traffic victims, and have provided some emergency care during inclement weather conditions.

We employ 20 staff, and I've listed the staff there for you, so you can look at that. I do want to point out that our budget is currently \$2 million. We have maintained all of our financial affairs within that budget. We have never run a deficit.

We do have some tenants in our facility. In fact, we have integrated many of our services with them. The tenants include Northwestern Health Unit, Dryden regional mental health and addictions services, and Shoppers Drug Mart provides prescription pickup. We have annual visits from the eye van and the breast van.

We have also been recognized by the Association of Ontario Community Health Centres for our leadership as one of 10 CHC early adopters of the new province-wide electronic medical records system, which was funded by the Ministry of Health at a rate of, I think, \$20 million. Our funder is the North West Local Health Integration Network, located here in Thunder Bay.

On behalf of the Mary Berglund Community Health Centre and its board of directors, we ask that you consider the following specific requests: (1) the immediate reduction of the Mary Berglund Community Health Centre's annual rent, which is paid to the Ministry of Infrastructure. Our current rent does not reflect the market rate for northwestern Ontario.

I'll move down to the second ask: (2) accept and expedite a capital request, to be submitted by the Mary Berglund Community Health Centre, for a new community health centre. This request will be submitted by June 2013, unless a private contractor with the ability to design, build and finance within our budget is identified by the end of April.

Please consider the following rationale for our requests: The current facility was a garage/warehouse in the 1970s and 1980s for the fire centre, which was closed in the mid-1990s. Although the health centre had capital funding approved in 1999, it was withdrawn by the sitting government at the time. The Ministry of Health and Long-Term Care and the Ministry of Natural Resources decided, instead, that the fire centre garage should be renovated to house the health centre. The health centre opened in 2000 and a 10-year lease was signed. The budget was established based on this lease.

Right from the beginning, the renovation was beset with ongoing, costly maintenance and structural issues. We have a leaking roof, which continues to this day; radiator leaking, which floods floors; and design flaws that have not been addressed adequately in spite of endless attempts by different visiting contractors. In addition, continuous leaking of the roof has recently raised concerns about possible mould. We recently had one of our clients have a very acute anaphylactic reaction and required medication at the time, and that was from inhaling air within one of the offices.

So we've had—and I've listed them—a lot of problems with the facility itself. I know that people in our community are quite accustomed to me beating the drum on the issues that are listed, but they are real. This is fact-based. It's not over-exaggerated at all.

1200

In 2010, the Ontario Realty Corp. raised the annual rent from \$98,000 to \$200,000 annually. The North West LHIN, our funder, would only agree to increase our funding by \$85,000 to accommodate this increase for a period of three years. This funding will finish at the end of March 2015.

I also want to point out that the lease that we are currently required to live with requires us to pay for any capital costs that are paid out related to building repair or improvements, in addition to the established rent. So we never know what costs we're going to have to pay for, in addition to the rent, by the end of the year.

We do want to have a new community health centre. We have taken steps to that end. In an attempt to find a facility where we can acquire a reasonable rent, we have negotiated for this to happen. However, four builders have submitted quotations and no one has been able to design a facility within our budget. We continue to negotiate with one builder, but we need to identify additional options should this initiative fail.

A new facility would be centrally located in the community residential area and would increase accessibility for marginalized populations. This is the only community health centre in this area of northwestern Ontario. There is one here in Thunder Bay. If we are unsuccessful in addressing the issues of the high cost of rent, we have nowhere else to go. All the larger buildings in Ignace are derelict and cannot be renovated at a reasonable cost.

The health centre owns property in the centre of the community. We have worked closely with the township of Ignace to identify ways to partner, share costs and benefits. If this concern is not addressed in the near future, the existence of the health centre will be at risk and the impact of Ontario's health care system will be reduced locally and raise costs overall.

This impact is verified by the recent report done by the Institute for Clinical Evaluative Sciences, which demonstrated that community health centres such as ours serve people with more complex needs and do a better job than other models in keeping people out of high-cost emergency departments.

Previous discussions with the capital branch in 2011 were quite discouraging and underscored the lack of influence held by this small community. It was determined by the board that we should make a concerted effort to work with the private sector in building a new facility in a more accessible location. Our vision is to create a health centre that will accommodate community growth and serve the purposes of the community health centre model of care.

We continue to negotiate with a private builder, but we are concerned that because we are asking for a design-build-finance project, such a facility will fall short of the looming increased population needs. New CHCs, which are being funded by the Ministry of Infrastructure, have been built or are under way in northeastern and in southern Ontario. The lack of equity in this part of the province is glaring. It is imperative that this concern is

addressed immediately and that a capital request is accepted and expedited.

Again, we thank you for the opportunity we have had to appear before you today and ask for your serious consideration of our requests so that we can continue to keep the residents of our part of Ontario happy and healthy.

The Vice-Chair (Ms. Soo Wong): Thank you very much. This round of questions is from the government. You have one minute.

Mr. Steven Del Duca: The Ministry of Infrastructure is your landlord currently?

Ms. Gloria Pronger: That's right.

Mr. Steven Del Duca: Was there at any point a rationale given for the 2010 increase in the rent?

Ms. Gloria Pronger: At the time, the Ontario Realty Corp. existed. When we first were requested to sign this new lease where the rent was essentially doubled, our health centre refused to sign. We got a lawyer and we tried to negotiate through the lawyer with the Ontario Realty Corp., which had hired a private company called CB Richard Ellis. They would not back down. We did send a letter to the Minister of Health, Deb Matthews at the time, and she was questioned during question period on November 11, 2010, about the reason for this level of rent. The only response that we were able to get from the minister's office was that they would forgive the 2010 retro rent of 100,000 additional dollars, but by 2011 we needed to sign the lease and continue paying and adjust our internal organization accordingly. That would have meant the loss of two full-time jobs.

We did proceed with signing the lease. In the first year of the lease agreement, we took the extra funding out of our physician line. Ignace has many challenges as a community. At the time, we had some difficulty attracting physicians, so recruitment has been ongoing, but we have been able to attract locum physicians within the region who come and provide locum services. We've stabilized our medical offerings now to the point where, as you can see earlier in the document, we have excelled in the provision of medical care.

But this rent is really a big challenge now, and the LHIN is saying, "You've got extra funding until the end of 2015. You need to find a way to deal with that problem." If we don't, then I'll be laying off staff in 2015.

Mr. Steven Del Duca: Okay. Thank you.

The Vice-Chair (Ms. Soo Wong): Thank you very much for your presentation.

I am told we are going to be adjourned until 1 o'clock for lunch.

The committee recessed from 1206 to 1303.

The Vice-Chair (Ms. Soo Wong): We're going to resume the hearings for the pre-budget consultations for 2013 for the Standing Committee on Finance and Economic Affairs.

THUNDER BAY AND DISTRICT INJURED WORKERS SUPPORT GROUP

The Vice-Chair (Ms. Soo Wong): The first witness for the afternoon session is the Thunder Bay and District

Injured Workers Support Group. Gentlemen, can you please identify yourselves for Hansard?

Mr. Steve Mantis: My name is Steve Mantis. I'm the treasurer of the Thunder Bay and District Injured Workers Support Group, and on my left is Eugene Lefrançois, one of our members.

The Vice-Chair (Ms. Soo Wong): Thank you. You have 15 minutes for your presentation, and this round of questions will be from the opposition party.

Mr. Steve Mantis: Thank you. Jeez, where is everybody?

The Vice-Chair (Ms. Soo Wong): They're coming in.

Mr. Peter Shurman: They don't care about you; we do.

Mr. Steve Mantis: Well, thank you very much.

Our presentation today is about our experiences as injured and disabled workers. Our group in Thunder Bay here got started in 1984, so this is now 29 years of coming before committees like this and presenting on our experiences. We're a bit dismayed, to tell you the truth. We presented to all governments when they were in power, and what we see is a shift in our society that leads to income inequality and that leads to poorer quality of health and quality of life in our communities, resulting in a few people at the top getting very wealthy and the rest of us having to pay the bill. We see it in compensation in the WSIB very directly, as a result of an apparent financial crisis, which we see reflected across the board in Ontario.

In 2009, the Auditor General did a review of the WSIB books and said, "Oh, my God, there's not enough money." Well, why is that? The WSIB itself said they reduced assessment rates to employers by 30%, under the Harris government, in 1998. A billion dollars a year less was brought into the system. After 12 years, surprisingly, the Auditor General said, "They're \$12 billion in the hole." Big surprise: If you're asking employers to stop paying into it, or reducing it by a billion dollars, it adds up. So what do we do?

The McGuinty government first commissioned a report. Here's the report right here, done by an impartial person, Professor Harry Arthurs. He was a retired head of Osgoode Hall Law School, a famous guy who had nothing to do with compensation. He did a thorough review and he came back and said the reason we're in trouble is because of government tampering—because government has kept assessment rates low, both under the Conservatives and then under the present Liberal government, artificially, to the benefit primarily of big corporations. The big corporations employ most of the workers in Ontario who are covered by workers' compensation, and that billion dollars a year is going into the hands of those folks, the shareholders who own those big corporations.

What does that mean for workers? Well, in 2010 they hired a retired banker to be head of the WSIB, with a mandate to balance the books. Rates went up a tiny little bit for employers. So how did we balance it? We cut

benefits for workers. In our submission, we go through a list of cuts that they have made, according to their own figures and numbers.

In our office here in Thunder Bay, we have people coming in in crisis, people who are threatening to do violence to staff at the WSIB, violence to their family. We have seen suicides. We have seen murder-suicides here in Thunder Bay from our members who are at their wits' end because they are disabled from work. They thought this was a system that was going to help them; that's what people think.

Workers' compensation, now WSIB, is our oldest social program in Canada—the oldest one. It's 100 years old this year. It reflects what's happening in our social programs across the board: that the concern for the people that it was there to help is going down and down and down. It's being used, really, to help create that income inequality in our society, which studies have shown doesn't benefit anyone except, artificially, those people at the top. We all suffer in terms of reduced health, in terms of our mortality, the length of time we live, any number of things.

You may say, "What does that have to do with the budget? WSIB is separate." Well, you may remember, in 2007 the budget included issues that actually increased payments, in terms of inflation protection, on a one-time basis for injured workers.

Our first recommendation is that this report that Professor Arthurs tabled—he said that workers who are receiving benefits from WSIB should be fully indexed and there should be a catch-up, because they've lost over 25% of the value of their benefits over the last 15 years. That was his recommendation; the government has taken no action on it. Our first recommendation is that through the budget process, full indexing be restored; that there is an effort to restore the value of those benefits, and to disallow the current ad hoc practice that happens in cabinet to set the rate for inflation for injured workers' benefits on an annual basis.

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This is incredible. I mean, we were very active in this process with Professor Arthurs, trying to educate him. He didn't know anything about workers' comp, and he came out with a decent report. And then the government says, "Ah, we'll just kind of"—it was released by the government on a Friday afternoon, when there's no media, and they've really taken almost no steps to implement the recommendations.

The second one is on another aspect of the compensation system, and that is about their experience rating program. This is a program that rewards employers to discourage workers from filing claims, for fighting them on their claims. Over the last 15 years—and this is documented in Harry Arthurs's report—\$2.5 billion has gone to employers through the experience rating program to basically suppress claims. Harry Arthurs said that the WSIB is in a moral crisis. I've never seen any government report with such harsh language—a moral crisis—because they know; we've been telling them for years.

We've been telling our elected members for years that this experience rating program both underfunds the system, it undercuts the ability to pay benefits, and it creates an incentive to hide injuries. We want to prevent injuries. You don't prevent them by hiding them. In fact, if you're going to prevent them, you need to not only report all injuries, but you need to report all near misses. You need a culture that encourages people to say, "There's a problem here," rather than, "Let's hide it."

Our third recommendation is on the issue of coverage. Ontario has the lowest rate of coverage for workers for workers' compensation in all of our provinces and territories. Only about two thirds of the workforce is covered, and the way that our statute is written, your industry has to be specifically cited in the regulation in order to be included in coverage. We are recommending that that change and that it be an inclusive policy that says everybody is included, like most of the provinces in Canada, except professional athletes, for example.

Our fourth recommendation is—and interestingly, this also was something that was in that 2007 budget. The Minister of Labour at that point was Steve Peters. We convinced him that there was a real problem in how benefit levels were set. There's a process that they call "deeming" that says, "You're permanently disabled; that's accepted. You may be unemployed, you have no wages at all, but we think you can become a health and safety inspector and we're going to subtract the wage you would get in that job as if you were actually getting that job."

The facts are that two thirds of Canadians with a disability are unemployed. Our industries don't want us. We want to work. We've done surveys with our members in Thunder Bay; for 90% of them, the number one concern is to go back to work. Our employers don't want us anymore. That's the problem. We're the ones who are going to be penalized because we got hurt in their workplace doing the work they wanted and they don't want to take us back and offer us jobs, again, that are sustainable, but, "We're not going to pay you benefits." So our fourth recommendation is that legislation be brought in and that the benefit level should be based on actual loss of earnings, not on the determined or deemed level, as is currently practised.

Our brief is quite long. It's 35 pages. We've included a research project we did in partnership with Lakehead University looking at the poverty of our members. I encourage you to look at this. It tells a story of devastation to the people that the system is supposed to help.

The last appendix of our presentation is on the research that's been done looking at what happens to people after they have been injured if they have a permanent long-term injury or disability. We're looking at very high rates of unemployment, regardless of the time frame. Basically, we have a surplus of labour in society, and employers say, "We don't want you. We've got eight or 10 people signed up for every job and we're going to take able-bodied ones; we're not going to take ones that are disabled. Too bad."

The biggest problem is, that \$1 billion that's underfunded in the system is still a cost, and where does that come from? Look at your rates of ODSP in the province. Look at the rates of health care. These are things that that \$1 billion would normally cover, but those costs are being shifted on to the public purse, on to the backs of the workers and their families themselves. Here in north-west Ontario, we have 20,000 families—just in northwest Ontario—who have a permanent impairment and face these barriers in their daily lives. We need a system that is there to actually help people.

When we look at our international comparisons—the OECD looks at the programs for people with disabilities. The countries that have the best programs and have the best benefits also have the biggest rates of employment for people with disabilities. If you have a good program that's well funded and provides the supports, you're going to get the best results, and it pays off for all society. This idea of just trying to save money every step of the way, thinking that that's going to help somebody: The only people it helps is those guys on top. The rest of us end up suffering.

The Vice-Chair (Ms. Soo Wong): Mr. Mantis, you have two more minutes.

Mr. Steve Mantis: Should we turn it over for questions?

The Vice-Chair (Ms. Soo Wong): It's the opposition party.

Mr. Monte McNaughton: Thank you very much. Obviously the WSIB's unfunded liability has been in the billions for many years under different provincial governments of different political stripes. Have you looked at other jurisdictions where they have it open to competition? Our party is proposing that maybe we need to look at opening the WSIB up to competition instead of having an exclusively government-run organization. What do you think about that?

Mr. Steve Mantis: Well, of course, in Canada, we don't have any of those. We have looked south of the border, where that is common. What we see is that the system is actually worse for the workers.

The only people who really benefit are the CEOs of the insurance companies themselves. Here, we complain that our CEO, David Marshall, is getting \$400,000 a year, and then he gets a 20% bonus if he cuts enough benefits. If you look in the States, \$400,000 is nothing. We're looking at \$15 million—average—for the CEO of the top 10 insurance companies in the States that do workers' compensation insurance. Look at how their expenses go; 60% of the expenses of workers' compensation are administration, marketing and medical. Only 40% goes to the actual workers the system is supposed to help.

At least here, our administration costs are much lower, and a big chunk of that is actually enforcement for the Ministry of Labour and the prevention services. Just in terms of efficiency, our system is much more efficient at achieving the goal of providing benefits for workers who have lost wages as a result of a workplace injury or disease.

The idea of opening up to competition sounds interesting, but I think the science on it says it's certainly not going to work for the community, and it's not going to work for the workers.

The Vice-Chair (Ms. Soo Wong): Thank you very much—

Mr. Eugene Lefrançois: Can I just say one thing before—we're running out of time, right?

The Vice-Chair (Ms. Soo Wong): Yes, we are.

Mr. Eugene Lefrançois: How many MPPs in the province, and that's all you guys, know where the money comes from when somebody gets injured? We have an MPP up here—I won't say which one—who didn't know where the money comes from when you get injured. If you don't know where the money comes from when you get injured, how in the hell can you guys do anything? You think it's welfare. It's not welfare, but you treat it as welfare. That is wrong.

Mr. Peter Shurman: We think it's insurance.

Mr. Eugene Lefrançois: No, you too. You don't know where the money comes from. Neither do you, and you came in late. All three of you came in late. You didn't hear a word we said.

The Vice-Chair (Ms. Soo Wong): Thank you very much for your presentation.

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ELA SUPPORT GROUP

The Vice-Chair (Ms. Soo Wong): The next speaker is the Experimental Lakes Area Support Group: Mr. Graham Saunders. Welcome. Mr. Saunders, you have 15 minutes. The next round of questions is from the opposition third party.

Mr. Graham Saunders: Thank you. I have a handout here—

The Vice-Chair (Ms. Soo Wong): Great, thank you.

Mr. Graham Saunders: Maybe somebody will magically happen so I don't have to use any more of my time.

The Vice-Chair (Ms. Soo Wong): Yes, the Clerk will do that.

Mr. Graham Saunders: Thank you.

Hi. I'm Graham Saunders and I'm here to argue the case for Ontario taking over the Experimental Lakes region. I'm presenting some of the information drawn up by people in Kenora about this issue.

The Experimental Lakes have been in the news quite a bit in the last week, or even month or two. Here are a few information tidbits about it: It's located between Kenora and Vermilion Bay, west of here by about three or four hours, and it consists of 58 relatively small lakes; these have been used over the last 45 years for experimental purposes—many different purposes. I'll touch on just a couple of those later on.

We have a very comprehensive record of an ecosystem that is relatively pristine; there are not many industries near there, and if we're worried about things,

mostly it's long-range transport, either in the water system or through the atmosphere.

This is a glimpse. There are 58 lakes. We don't have time to look at all these lakes, but these are a few illustrated, and some of the experimental work that has been conducted at different lakes. The international reputation of these lakes and the people working there is considerable. Over the years, many environmental problems have been identified, and there are lots of practical solutions. Algae bloom—it's happening again, but in Lake Erie etc. These are some of the things for which the Experimental Lakes research has set up some resolution to problems.

There is lots of intellectual property here, lots of research, different governments, universities. More than a thousand peer-reviewed papers have come out of the Experimental Lakes—graduate theses, books, chapters, articles and so on.

That quote there is by David Schindler. He says, "There is simply no other facility in Canada capable of" doing these kinds of experiments. The decision to close the Experimental Lakes comes at a time when current and planned projects are urgently needed to ensure Canada has freshwater policies that are firmly grounded in science.

As you probably know, technically the Experimental Lakes were closed on April Fool's Day, a couple of days ago. That's not precisely true. Although some of the buildings have been dismantled already, there are a lot of other structures there still happening. Research has been restricted, even that scheduled for this summer. Trent University in Peterborough has been refused access, and there are a few other oddities going on here. I think it's bizarre to give less than a year's notice to close this facility after operating it for 45 years. I think that's just suspicious.

In some odd ways, we're not talking about a lot of money. I know you're a budget committee, but we're talking about \$2 million a year. That covers a lot of staff and maintenance and new supplies every season—about six months of the year. In fact, a lot of the—I won't say that the lakes have been cost-effective, but they do have a lot of revenue coming in, and there are projects around the world, and people and corporations, who have come to the lakes and conducted research. One is METAALICUS, and that's long-range transportation of mercury. That was a joint study of the US and Canada.

What are the possibilities for Ontario? Technically, as I said, the facility is now technically closed, and the federal government seems to have stopped looking—if they did at all—for any kind of people and/or partners or jurisdictions to take over these lakes.

So what could happen? The government of Ontario could operate the facility. I think there's a lot of enticing research going on. It would have a lot of appeal to Manitoba. University involvement: Well, that would be automatic, really, because there are a lot of universities who have conducted research in the past, and Trent wants to conduct it right now.

Another possibility is to share costs with the International Institute for Sustainable Development, based in

Winnipeg. Pretty big players, and I haven't seen the paper trail, but I understand some substantial donations or funding are available through this institution.

The benefits: I think anybody who has a glimmering of economics in their background knows about spinoff effects. The salaries paid to staff and researchers certainly get passed on to communities in the immediate area. Suppliers of fuel, electricity, maintenance and supplies obviously benefit too.

Now, I've put the word "tourism" here. It's not exactly a tourist destination, because it's a restricted area for research. However, I think that when you have hundreds of people going back to their own locations, whether that's in the US, Britain, Australia, Germany etc., they talk about where they were. I don't think this has been done effectively to date, but it would be relatively easy to supply these people—this really substantial demographic—with literature about tourism in Ontario and in Canada. I think that's just a natural thing to do.

The lakes do have an international exposure and reputation, and it will be, I think, irresponsible to let it go. My passion about this is the research, but I think the other economic benefits are very substantial as well.

Just as a glimpse of what Ontario will be giving up if the lakes actually close, as intended—long-range transport of toxins. Ontario is downstream of several major emitters—China, North Dakota and the oil sands production—and these compromise, right now, air and water quality in Ontario. In the future, if we're going to quantify those effects and those expenses for Ontario, then we have to know what the baseline was and what is happening in the meantime. The Experimental Lakes already have some of these baselines—not just mercury, but that's one of them—and it would be absurd to discard this or discontinue this monitoring and other research in this facility.

I don't have time for it today, but there's an interesting and thoughtful presentation; there's a record of it in your handout. It's by John Shearer. He's a senior biologist, and he operated the facility for a long time, until his retirement a few years ago. That's available there. It's about four minutes long.

Discussion? Questions?

The Vice-Chair (Ms. Soo Wong): Thank you very much. We have four minutes for the opposition third party to ask your questions.

Ms. Sarah Campbell: Thank you for your presentation. I have a few questions for you. First of all, in your opinion, has the province of Ontario done enough to keep the Experimental Lakes Area open?

Mr. Graham Saunders: I don't think so. I'm not privy to all those transactions, but according to some of the people who have looked into it, the province of Ontario seems to be shirking that responsibility.

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Ms. Sarah Campbell: Can you elaborate on some of the benefits that the Experimental Lakes Area can bring to resource-based industries such as tourism and forestry?

Mr. Graham Saunders: That probably eats up all my time, but I'll go for it.

I think the position of the lakes is very vital because so much mining is proposed for northwestern Ontario and all of northern Ontario, and other places in Canada too. These are boreal lakes, and what you test there will have some application across the boreal zone of Canada and, for that matter, northern Europe and Russia. So there are certainly opportunities there to see what happens when you introduce new components of industry—mining—into an area.

Tourism: I explained that a little bit, that you're not going to say, "You're from Frankfurt. Why don't you come to the Experimental Lakes?" That's not going to happen. But I think there should be more dovetailing in the future with the research, what's going on there. A lot of private operators have to worry about water systems for their guests, and some of the solutions for that have already been found in research in these 58 lakes, and certainly more in the future is possible.

Ms. Sarah Campbell: How has research at this facility impacted provincial legislation? Are you able to speak to some of the concrete examples?

Mr. Graham Saunders: How does it apply to Ontario in particular?

Ms. Sarah Campbell: Yes.

Mr. Graham Saunders: Certainly, using history, one of the reasons that we have legislation in Ontario and in North America about clean air is the acid rain crisis of a few decades ago. That's part of the reason this lake system was founded by David Schindler and Harvey and other Canadians, who played a major role in North America, first Canada and then Europe—both, actually—in dealing with acid rain. They did experiments: How much do you add to the water; and also, as important, how long does it take systems to recover if you cure the problem at the source?

Ms. Sarah Campbell: Do we have some more time?

The Vice-Chair (Ms. Soo Wong): One more minute.

Ms. Sarah Campbell: Okay. There has been some concern that has been expressed by some people about the transfer of responsibility of the Experimental Lakes Area from the federal government to the province, in terms of the tremendous cost, \$50 million, of rehabilitation. Do you have some suggestions about how this could successfully be transferred to the province but somehow the federal government could still maintain some of the responsibility?

Mr. Graham Saunders: My first guess has been that it would take many tens of millions of dollars to restore these lakes. A little more research into that suggests—and I'm not saying this is ironclad; I'm always the person who says whatever you think it will cost, it will double that. I think they've done these experiments fairly responsibly, and out of the 58, there's one lake that is now compromised, and it's thought that will right itself in about three more years. So there are no lakes, according to this information, that actually need any extreme remedies to bring them back to their original, pristine condition.

Ms. Sarah Campbell: One quick follow-up: Do you think that that \$50-million cost of rehabilitation is inflated?

Mr. Graham Saunders: I'm not sure. The number I've read is—and it's based on if you have three years, no lakes to clean up exactly. There are other cleanup costs too. Ten million dollars is what I'm reading.

The Vice-Chair (Ms. Soo Wong): Thank you very much, Mr. Saunders.

Mr. Graham Saunders: Thank you.

POVERTY FREE THUNDER BAY

The Vice-Chair (Ms. Soo Wong): The next witness is Poverty Free Thunder Bay, Terri-Lynne Carter and Alaina King. Can you introduce yourself for Hansard?

Ms. Terri-Lynne Carter: Hello. We thank you for the opportunity to speak here today. My name is Terri-Lynne Carter. I'm the chair of Poverty Free Thunder Bay. This is Alaina King.

Poverty Free Thunder Bay is an advocacy coalition working for change at the local, provincial and national levels to eliminate poverty and its impact on our community. Ontario's income gap between the highest income earners and the lowest is at an all-time high. More and more, labour market restructuring has replaced job security with temporary, contract, part-time and precarious labour. Recent government budgets have included cuts to social assistance funding for emergencies, delayed and curtailed child benefits, and eroded affordable housing budgets, while the cost of basic necessities continues to increase. These measures have made survival even more difficult for families living in poverty.

It is great that the government has taken positive steps in the first years of the Poverty Reduction Strategy which resulted in an overall decrease in child poverty rates by 6.6%. However, this progress has stalled in recent years because of the cuts, and the primary goal of reducing child poverty by 25% by 2013 is not going to be realized if the Ontario Child Benefit, minimum wage and social assistance rates remain frozen at current rates.

At present, a single person's Ontario Works cheque does not even cover food, housing and clothing costs. According to the Thunder Bay District Health Unit's report *The Cost of Eating Well* in the District of Thunder Bay 2011, a single man aged 40 on Ontario Works will spend 78% of his income on rent. The remainder of his income is short by \$125 of the cost of a nutritious diet.

In 1995, the government cut welfare rates by 21.6% and froze disability. Subsequent governments have not only failed to reverse the Harris cuts, but have actually perpetuated a further decline in rates. As a result of that initial 21.6% cut, coupled with inflation for the last 16 years, welfare rates are approximately 55% below where they should be. If benefit levels were restored to the same level of spending power as we had in 1994, a single person on Ontario Works would receive \$936 a month instead of the \$599 they're receiving now.

In addition to increasing Ontario Works and ODSP rates by 55%, a cost-of-living increase needs to be

accompanied. Last year, social assistance rates increased by 1% while inflation rose by 3%, thus leaving people on social assistance with less purchasing power.

Thunder Bay's vacancy rate is about 1%. A one-bedroom apartment currently costs about \$700 a month; bachelor apartments are very rare and are very hard to find, but they're about \$630. So a single person on Ontario Works currently cannot afford an apartment on what they are receiving. No new social housing units have been built for 20 years. As others who have spoken here today have pointed out, landlords are giving up their rent-subsidized apartments in favour of receiving market rent, thus creating even more of a shortage of affordable housing units.

We want to see an increased investment in building new social housing units so that people don't have to spend more than 30% of their income on housing. In 2012, 64.5% of food bank users in Ontario were low-income, rental market tenants. Last year, the wait-list for social housing in Thunder Bay was 1,420, and 26% of those were on the urgent wait-list. This was before the May flood, when we had sewage come into people's basements and homes, and we've lost a lot of apartments that way. The upcoming DSSAB report is going to show an even larger wait-list.

Food banks are seeing a tremendous increase in usage since the 2008 recession. In fact, people who once donated to food banks are now using them themselves. We want to see the budget raise everyone from deep poverty and working poverty, and go beyond the system that justifies discretionary benefits over basic human rights such as shelter, healthy food and good health.

Also, it is hard for parents to leave their children to go to work or receive training when there is not enough safe, affordable and accessible child care. In Ontario, there's only space for one in five children. I have a sister who is a single parent. Next year, my nephew will be going to kindergarten. The school she wants to send her child to is in a different zone than her daycare, so she is currently looking for daycare because they will not bus him to the daycare. She hasn't found one yet. She has put her name in everywhere. It took her a year to get the daycare she has now. I'm not sure what she's supposed to do. Quit her job? So we need investment in affordable child care so that parents can access employment and training.

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This year's budget must honour the original commitment of the Poverty Reduction Strategy by increasing the Ontario Child Benefit. The Ontario government has called this the cornerstone of their Poverty Reduction Strategy. They've almost doubled the maximum benefit per child under 18 in 2009, from \$50 to \$92 per month. The OCB's increase to a maximum of \$1,310 per child per year was meant to be the main intervention for lifting 90,000 children and their families out of poverty by December 2013. However, this has been frozen.

Labour market restructuring has replaced job security with temporary, contract, part-time and precarious labour. Approximately 22% of jobs in Ontario are con-

sidered precarious, having low wages and at least two of three other features: no pension, no union or a small firm size. People disproportionately vulnerable to precarious work are women, racialized people, immigrants, aboriginal persons, persons with disabilities, older adults and youth.

Full-time, full-year employment must ensure a standard of living above the poverty line. In Ontario, minimum wage workers account for almost one in 10 employees. Since March 2010, the minimum wage has been frozen at \$10.25, while the costs of basic items, such as shelter, food and transportation have gone up. Thus, inflation has taken a 6.5% bite out of minimum wage's purchasing power.

The only sustainable ends to ending poverty in Ontario is to ensure that there are jobs available for those who can work, and to ensure that those jobs pay closer to a living wage. Setting the minimum wage to at least \$14 an hour offers a better situation for people trying to move from social assistance to the workforce.

I'll let Alaina—

Ms. Alaina King: Hi, there. I'm Alaina King. In front of you, if you look at the numbers, is my pay stub for Ontario Works. If you'll look down at it, the grand total is in the red. Well, mine is in the red, anyway.

So if we're here talking about budget and money, someone is in the red here. It isn't Ontario Works; it's me, and I'm getting by on my prayers. Once my expenses are paid, I have no money for toiletries, new clothing or new shoes. If you look closely, I don't own a cellphone, a vehicle or insurance of any kind. There is no miscellaneous entertainment fund either.

I am a stay-at-home mom by choice to ensure that my children are a blessing to society and not a menace. It is not my intention to stay on Ontario Works, but I have been on Ontario Works for a good length of time to see that the amount I'm getting isn't helping me to get anywhere.

I believe in making changes for the positive, so here are a few suggestions. First, increase or provide incentive to those who are actively volunteering, such as paying them for each meeting or an organization they are actively involved with. Volunteering helps build up resumé. Honour those who are contributing to society by doing the real legwork for your statistics. Yes, there are discretionary funds that can be tapped into each month, but not all social assistance workers are diligent enough to inform the working participants of these monies.

When looking at the system as well, it pays if you are a recovering addict. Participants are handed Tim Hortons cash cards for their coffee, given gym memberships etc. Why not do the same for the ones who are actually getting experience to get employed by rewarding positive behaviour?

Provide more funding for the Ontario Works employment training portion of the social assistance class. I attended a class for eight weeks, which I believe helped to reframe my mindset to have a more positive outlook on life. It could have been a more enjoyable experience if

there was money in the budget for activities that encouraged potential employment opportunities.

Allow for monies to be kept up to a certain dollar amount in order for people to climb out of the system. Nothing says defeat like having the constant dollar amount change in an instant because you are working. It's almost like panic sets in, and you opt for a lifestyle that is more familiar to you, so you quit working and you go back to your Ontario Works where your monthly cheque is the same.

Also, for the parents who have youth at working age, allow them not to have to report the children's income. It's degrading. It doesn't come off the cheques, but to do that, you keep your child in that mindset and that mind frame for Ontario Works.

Just as a last statement, Ontario Works should not be a career choice for any length of time. Thank you.

The Vice-Chair (Ms. Soo Wong): All right. Thank you very much. This round of questions to the government side: five minutes.

Ms. Dipika Damerla: Thank you to both of you for excellent presentations. I did want to commend—I was going through the stuff that you presented. What I saw was very thorough, because not only did you make recommendations that ask for more money, but then you at least went through the mental exercise of suggesting where the revenues could come from.

I did want to ask if you went the next step, which was to cost it out. If we were to implement all 10 recommendations across the province of Ontario, is there a guesstimate of how much that would cost?

Ms. Terri-Lynne Carter: No.

Ms. Dipika Damerla: Okay. You also don't have a guesstimate—and I'm not expecting you to, but just in case you had something. You said to plug the loopholes in taxation and collect the overdues, and I'm sympathetic to those ideas, but any idea how much that would collect?

Ms. Terri-Lynne Carter: Well, a 1% increase in the tax rate for the wealthiest 5% of Ontarians, so those would be those earning \$180,000 a year or more, would raise \$480 million. Corporate tax increases are another option because Ontario has the lowest in all of Canada. If we raise the corporate tax rate to what it was in 2009, that would raise \$3 billion annually.

Ms. Dipika Damerla: All right. I had some questions for you as well. You mentioned you went through an eight-week exercise—I guess some kind of course. I just wanted to know: How helpful was that?

Ms. Alaina King: It was very helpful. The lady who was facilitating the course was introducing reframing your thinking about the situation you're in, like changing your words. Whenever we would have a classroom setting like this, somebody would say something, and she would stop them and say, "Maybe if you think about it this way." You could see the gears starting to change in the people's minds.

I do believe there is a success rate from that program, but she had to go and approach people and her friends to come in and do presentations to say, "These are ways you

could do things without having to go with drugs and alcohol as a stress releaser." She'd bring in somebody who painted. He brought in his supplies on just a volunteer basis. He showed us how to paint.

Our resumés were redone. We had to look at setting goals for ourselves to get out of where we were at. The people that have gone through since: There is a success rate with them coming off the system or looking towards better employment.

Ms. Dipika Damerla: So you mean, after going through this course, some people have started to work. Is that what you're saying?

Ms. Alaina King: Yes.

Ms. Dipika Damerla: Okay. So this is a course that actually gives you the skills to find a job?

Ms. Alaina King: Yes.

Ms. Dipika Damerla: Oh, excellent. This is through—who offers it?

Ms. Alaina King: It's through the Ontario Works program at the DSSAB building. It's a life skills course. It's also called Accept. They work on your resumé and help you with volunteer skills.

She also incorporates volunteering at different agencies so that people get work skills. They do janitorial stuff. You get your janitorial ticket so that you can go and get work as a janitor somewhere. But not everybody wants to be a janitorial person, so she'll go and find agencies where people can go and volunteer one day out of these eight weeks to get skills. It helps to build up the confidence in the people who are participating in this program.

It even helps them with their children, because when you're on this kind of budget, you stress out about how healthy your children are eating. You can't really afford proper healthy eating for your children.

For instance, this last month, I said, "Okay, I want my children healthy." They're not getting the proper nutrition, even though I cook from scratch. I try to do basic preparations. I went out and bought my children multivitamins and I bought myself multivitamins so that we would get our proper nutrition and so that I do not have sick children ending up in the hospital affecting my time when I'm trying to go out and do things for my neighbourhood.

Ms. Dipika Damerla: Is there time?

The Vice-Chair (Ms. Soo Wong): One minute.

Ms. Dipika Damerla: I understand completely how demotivating it can be to get a part-time job only to see your Ontario Works clawed back, but you talk about the panic. I'm kind of curious to know what you were referring to.

Ms. Alaina King: I started to look into getting employment. My last child is in school full-time, so I know I have to start looking for a job. I started looking for things. Sorry; I do not want to work in McDonald's. I don't want that kind of job. I want to be in a place where I'm able to help people.

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So I start looking and then I find out, hey, you've got to report that on your income statement. I'm already

getting, what, \$489, my grand total there. So I start making maybe 250 bucks; that comes off my cheque. That \$250 that I was using to help cover my other expenses and this \$250 that's coming up should be able to balance out or give me a step up to maybe affording cable, because I don't have cable on there either. I don't have cable in my home. So I'm not going up; I'm coming down from where I could be if I was able to work and maintain that money to get up and out of that system.

The Vice-Chair (Ms. Soo Wong): Thank you very much, Ms. Carter and Ms. King. Thank you for your presentation.

TOWN OF IGNACE

The Vice-Chair (Ms. Soo Wong): Okay, the next speaker is Mayor Lee Kennard from the town of Ignace. Welcome. Can you identify yourself?

Mr. Lee Kennard: We have a handout. There's a guy coming for it, I guess.

The Vice-Chair (Ms. Soo Wong): Yes, the Clerk is going to pick it up. Mr. Mayor, go ahead.

Mr. Lee Kennard: Good afternoon, everyone. My name is Lee Kennard from Ignace. I would like to thank everyone for being here and coming and sitting here and listening to us and giving us the chance to participate in it.

Ignace was probably one of the hardest-hit communities in the recession because we pretty well lost every corporate worker that we had. Resolute is coming back to build their mill again, which is going to bring us back up, but in the process we're here to ask for infrastructure money and to make sure that it gets added into the budget, because we are in problems. We need some infrastructure work in order to be able to sustain the workforce that's going to be coming there. It's very important to us. Lots of other communities have the same problem with their sewer system, and if ours goes, it goes straight into the creek. I don't know what MOE is going to have to say about that. So we need that in there.

The need for our MNR office—as I was saying, Resolute is going to be starting up there again and we're hoping that our Ministry of Natural Resources office can stay and maintain at least the standards that it's holding now, because there's also probably going to be a mine opening up there. Those are all very important things for the MNR. People need the MNR to be able to run their operations well.

The Municipal Partnership Fund: It's very important to keep that where it is. Our cost keeps going up, the money that we have to put out, and that one keeps going down, so it's hard to maintain the systems. The KDSB and the home for the aged and all that, and the school boards—the money that we have to pay out to them goes up every year. This system goes down. I think it is very important to get that in the budget, to maintain that at least where it is now. It certainly would be nice if it could go up, but to at least maintain where it is now would be very good.

The other thing I would like to see in the budget is possibly maybe you could get a bit more in for student funding. Student funding, to get students to work in the summer, is very important to me because it gives them a chance to get a bit of work experience and learn how to work, so when they're done school they know how to work a little bit. They're not just educated; they also know how to get out and do some work.

I think those are the foremost, most important things to me. I know that student education isn't here; it came into my mind as we were sitting here thinking about it, but again, it's very important to me.

I guess I could go on and ramble on about these things, but I would like to open it up to questions. So you can ask me, and hopefully maybe I can better answer on the things that we require and need.

The Vice-Chair (Ms. Soo Wong): This round of questioning is from the opposition party.

Mr. Peter Shurman: Thank you very much, Mr. Mayor. I appreciate your coming here to see us and telling us some of your thoughts on how we should be managing money.

Tell me specifically—you talked about sewers and the water system—what's in the most precarious state right now, from an infrastructure perspective, in your community of Ignace? What needs repair? What are you worried about?

Mr. Lee Kennard: Our sewer treatment plant definitely needs a rebuild. We have orders from both MOE and MOL, because our cement is deteriorating and they say it's not safe for the guys to be walking on, so we had to build a platform over the wood, as a temporary band-aid, in order to keep it running.

We have two systems there. We have what they call the new one and the old one, but there's not much difference between the age of them. The smaller one has been out of service now for approximately 25 years, 20 years for sure—

Mr. Peter Shurman: If you wanted to build one, which is really what it sounds like you have to do, what kind of money are you talking about?

Mr. Lee Kennard: We have an estimate from Boge and Boge to come in and repair that one, put it in the shape that it needs to be and update the electrical and all that, and it's around \$4.5 million.

Mr. Peter Shurman: Right now, what could you afford?

Mr. Lee Kennard: Right now?

Mr. Peter Shurman: Anything?

Mr. Lee Kennard: Well, not really.

Mr. Peter Shurman: So you really need an injection of infrastructure money.

I want to bring you to another subject, and I'm going to let my colleague ask some questions. You didn't mention this, but in your brief you say the minister wrote a letter saying that we're spending \$35 billion on infrastructure, and you noticed that in excess of \$12 billion was for transit projects in southern Ontario. There's a reason why you put that in there. I would like

you to explain to me, a southerner, what it means to live in a more remote northern community and see that we're on the list for transit and you're on the list for nothing.

Mr. Lee Kennard: That's a very good question, and it is one that always comes up. The governments of the time, federal and provincial, are always looking at the south, and in my opinion it is because that's where all the votes are. They don't even come to visit. Mulcair was here last week; would he have stopped in Ignace when he was going through? No, they never stop there. They don't stop and see. They don't know how we live. They don't know what our problems are. That's a very good question because it seems to me that they put all of the money down there because that's where the votes are, and our requests go unheard. We have sent in four requests, and we've just got turned down flat in funding for this treatment plant. There have really been no reasons, but—

Mr. Peter Shurman: I appreciate you sharing that with us, Norm?

Mr. Norm Miller: You started off by saying that Ignace has been hard hit. Can you expand on that a little bit? What industry have you lost there?

Mr. Lee Kennard: First, we had a mine there, and that's what built Ignace to 2,500 people, and then in 1992, that shut down. If we go back a little bit before that, AbitibiBowater was there—it was Abitibi at the time—cutting wood. They left before the mine shut. Then the mine shut. Then, Resolute, which was Great Lakes and CP and all those companies—they slowly left; by 2007, they were gone. They bought the mill out there and they had just started that up, and they ran it for a couple of years. That mill was the last thing left, and it closed in 2006. Since then, we have absolutely no industry.

Mr. Norm Miller: What's your population now?

Mr. Lee Kennard: It's around 1,200.

Mr. Norm Miller: You said you're concerned about maintaining the MNR office there. How big is the MNR office?

Mr. Lee Kennard: The MNR office is one of the things that went down. It used to be a very large office. We had fire crews in the summertime. There were around 78 full-time employees, but now we're down to—I think there are 10 full-time and then a couple of contractors there, so we're down to about 10 or 12 in the building.

Mr. Norm Miller: And you're worried that you might lose that.

Mr. Lee Kennard: We're worried that we may lose that when it gets down to that low of standards. I think it's very important for that to be there, to look after the mine that's possibly going to start, and definitely Resolute, which is going to start building their mill in a month or so.

Mr. Norm Miller: What, if anything, can government do to help bring jobs to Ignace and area?

Mr. Lee Kennard: It's looking like we're going to have the jobs, but we need the work on the infrastructure to be able to—

Mr. Norm Miller: Sorry, what jobs are you saying it's looking like you're going to—

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Mr. Lee Kennard: Well, Resolute's coming there to build their mill back again.

Mr. Norm Miller: Okay.

Mr. Lee Kennard: The mill itself, alone, is 115 people. And 115 people to 1,000 people—that is a big influx of workers. That would be like bringing 10,000 workers to Thunder Bay.

Mr. Norm Miller: Sure. Okay.

Mr. Lee Kennard: It is a big thing, and we are concerned that our sewer system is not going to be able to handle the influx of people. It's maintaining it now. MOE says we have to get that other plant back online or redo our certificate of approval. If we redo that, then we get more people and we can't treat the sewer. What do we do?

Mr. Norm Miller: Great. Well, thanks for coming.

The Vice-Chair (Ms. Soo Wong): Thank you, Mr. Mayor.

NORTHERN ONTARIO SERVICE DELIVERERS ASSOCIATION

The Vice-Chair (Ms. Soo Wong): Our next speaker is from the Northern Ontario Service Deliverers Association: Iain Angus. Welcome. Can you identify yourself for the Hansard?

Mr. Iain Angus: Thank you, Madam Vice-Chair. I'm Iain Angus. I am the vice-chair of the Northern Ontario Service Deliverers Association. With me is Bill Bradica, acting CAO of the Thunder Bay DSSAB and a member of the NOSDA board.

Thanks very much for the opportunity to meet with you today. The Clerk is handing out our presentation. I'll try to go through it quickly so that we leave an opportunity for questions.

NOSDA is the body that represents the northern Ontario municipal service managers. We're the folks who deliver Ontario Works, children's services, social housing and, in 10 out of the 12 cases, EMS or ambulance services. The majority of our organizations are responsible for the local planning, coordination and delivery of a range of community health and social services that the province of Ontario divested to us to locally manage. These services represent a significant portion of the social infrastructure of all northern Ontario's municipalities and also account for a good share of the property taxes that northern Ontario municipalities dedicate to the social support infrastructure of their municipalities.

We're primarily composed of 10 district social services boards, or district services boards, depending on the responsibilities they have taken on. They're unique to northern Ontario. We also have one municipality, also known as a consolidated municipal service manager, and that's the city of Greater Sudbury.

We collectively have annual expenditures in excess of \$650 million and together employ over 1,500 people. We thus represent a significant component of northern Ontario's economy and labour force.

We plan and coordinate the northern Ontario delivery of public services and infrastructure programs that result in measurable gains to the quality of life of northerners through:

- the provision of financial and other supports to persons having difficulty entering or re-entering the labour force;

- the creation, maintenance and provision of affordable social housing, including working with other orders of government to obtain financial investment in this sector;

- the provision of quality early learning and child care services that reassure parents that their children are in safe, nurturing environments while they busy themselves at work or upgrading their skills; and

- the provision of emergency medical services in times of personal crisis.

Northern municipalities and property taxpayers are facing increasing cost pressures related to the provision of vital, legislated local infrastructure and services. Unlike many southern Ontario centres, northern municipalities generally have a lower assessment base; lower per capita income; lower population growth, with the notable exception of First Nations; precious little public or even interurban transit, and much larger geographic areas to cover. All of this contributes to a higher per-household health, ambulance and social services cost.

Turning to some specifics: In terms of the MCSS Community Start-Up and Maintenance Benefit, NOSDA has a key concern about the limited recognition of differences between social policy and program development, delivery and administration between northern and southern Ontario. This matter has been the subject of previous meetings and correspondence between the ministry, various northern municipalities and NOSDA.

While we welcome Minister McMeekin to his new portfolio and commend his ministry's December 27, 2012, transfer for one-time costs in relation to the Community Homelessness Prevention Initiative, we are seeking clarification of next steps and long-term solutions on how to best ameliorate situations regarding the significant loss of a variety of programs that have been replaced by CHPI.

First, the one-time CHPI funding has been a good interim measure to mitigate the severe hardship anticipated before this past Christmas. However, we would appreciate having the one-time monies allocated to DSSABs as an unconditional grant, or at least until March 31, 2016, as opposed to March 2014.

Secondly, we welcome the social assistance review report and look forward to working with the ministry in establishing pilot projects in the north for this delivery of integrated services. We hope that MCSS staff will consult actively with the NOSDA membership as social assistance reform rolls out.

It is appropriate that I quote from our submission to the social assistance review on our high-level view of the changes that are needed and are reflected in the review report:

"DSSAB/CMSMs need the flexibility to address local issues in a timely manner through the design of new programs, through the elimination of existing programs that are not required or no longer achieve desired or necessary outcomes, and through the integration of existing programs to ensure they meet the needs of the populations they were intended to service.

"A one-size-fits-all will not work in all parts of Ontario. There must be local flexibility and accountability to shape social assistance delivery to be appropriate and timely across Ontario. The local service system manager has a vested interest in the whole community. This promotes an integrated system of service delivery. One program with a positive outcome can impact another negatively. This will only be addressed when there is a municipal service system manager in place to promote an integrated system.

"It has been pretty much agreed that the local property taxpayer base cannot and should not be responsible for funding social assistance and employment programs. These programs need to be funded at a provincial level as the province has the appropriate taxation powers and capacity to do so.

"A partnership between the province and municipalities should be built on a stewardship role by the province that establishes broad principles and desired outcomes while leaving the actual program design and delivery at the local level. The partnership needs to be recognized by all ministries, not just the ones directly engaged with our programs, but also those which also have ancillary relationships that may impact on the desired outcomes for a community.

"This would not include rate structures, as those would need to be developed provincially, but could allow for regional flexibility where possible. This should be done by considering the establishment of broader outcomes to which delivery agents would be accountable to achieve. However, it should be noted that there should be no transfer of program risk (funding, human resources etc.) from the province to municipalities.

"The province needs to set the principles and outcomes for the social assistance system and then challenge the delivery agents to develop the programs and resources required to achieve these in their particular communities or groups of communities, allowing for extraordinary circumstances and granting the ability to negotiate in a timely manner to address significant economic changes in communities."

Some key principles that have been included in the recommendations from the review and that NOSDA included in their submission are as follows: Social assistance cannot be funded on the backs of the local property tax system; employment programs and resources need to be locally developed and to be flexible to adapt to local workforce development issues; and a provincial rate

structure for social assistance allowances that would not necessarily mean one rate table for the entire province; there could be room for regional variances based on local economies.

Moving on to the Ministry of Health and Long-Term Care: Non-emergency patient transfers are a primary concern in relation to our dealings with the Ministry of Health and Long-Term Care. The main concern remains to be the limited recognition of differences between policy and program development and delivery between northern and southern Ontario related to non-emergency inter-facility patient transportation, specifically impacting the health and well-being of residents of northern Ontario.

The subject of much study, discussion, analysis and correspondence between the ministry, the local health integration networks, various municipalities, NOSDA, NOMA, FONOM—we are seeking clarification on long-term strategies proposed to mitigate risks impacting DSSABs, municipalities and, most importantly, our northern citizens.

We seek a level playing field with southern Ontario as it applies to the overall health status of northern Ontario residents and also the manner in which non-emergency inter-facility transfers are accommodated. In the south, demand resulted in the evolution of medical transfer services that are used by hospitals, LHINs and user-pay services that transfer patients between medical facilities or residences for treatments or tests.

Despite similar systemic needs in northern Ontario, the vast geography contributes to substantially higher transportation costs and, unfortunately, the continued use of emergency land ambulance resources to provide non-emergency services. Consequently, ambulances that should be available to respond to emergencies are unavailable or delayed, resulting in poor and costly patient outcomes. Some areas in the north have reported response time increases of over 20%, which does not bode well in an environment of increasing demand, compounded by an aging population.

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Multiple transportation alternatives are available in southern Ontario, but they're not possible up here because of the geography and the cost. The longer the issue remains outstanding, the greater the disparity will be between regions. We look forward to an opportunity to continue the dialogue to find a solution together.

Finally, in terms of the need for affordable housing in northern Ontario: The key issue related to affordable housing in the north is the failure to invest in areas where affordable housing is needed, causing affordable housing shortages.

We welcome Minister Jeffrey to her new portfolio, and seek clarification of next steps in how to best ameliorate situations vis-à-vis affected municipalities in the north. We urge MMAH staff to revisit the funding formula used to arrive at the Community Homelessness Prevention Initiative and the use of deep core housing need based on Statistics Canada data. This data does not

represent a true picture of low income for the population of northern Ontario. First Nations persons are under-represented, small communities are not counted, and statistical accuracy is lost in areas of low population due to the manner in which Statistics Canada aggregates data for the protection of privacy. We would be pleased to work with the government to arrive at a more equitable funding formula for the north.

Finally, we are pleased that the federal government, in their budget, announced a five-year extension of their housing programs, and we strongly encourage the Ontario government to quickly finalize their negotiations with the federal government by allocating their share in this budget.

Thank you for the opportunity to present our views. We would be happy to respond to any questions you may have.

The Vice-Chair (Ms. Soo Wong): Thank you. You have three minutes, and this time it's the third party for questions.

Ms. Sarah Campbell: I have a couple of comments and then a question. First of all, I want to say that I agree with you on the points that you've raised about the need for more affordable housing. It is certainly a theme that we have all heard today from many presenters.

The other comment I wanted to make is that I also agree with your comments related to it being unfair and inadequate to disproportionately make local taxpayers financially responsible for social assistance and employment programs, especially in the north, where we see that we have many communities that are single-industry, resource-based communities. What ends up happening is, when the local industry goes down, there's greater need all at the same time that there's less money and less ability to pay. If that were to be managed on a larger scale, that would definitely help us in the north.

My question is a little unrelated to your role, but I wanted to ask it nevertheless. We have an aging population, especially across the north. I'm wondering if you can speak to the need that we have for greater supportive housing. I realize that's different from what your mandate is, but I'm wondering if you can speak to that.

Mr. Iain Angus: Certainly, NOSDA as well as our individual components are very concerned about our ability to provide the bricks and mortar at a time when we also recognize that there's a need for the supportive services. It's part of this silo: Bricks and mortar come from one ministry, and supports come from another. The North West LHIN, which I'm more familiar with than the LHIN in the northeast, has been coming to the table and is rolling out additional supports in a number of communities—not in all yet, so there's more that needs to be done.

We've found, particularly from an urban centre, if the supports are not available in the smaller communities, then there will be a continued migration as the older folks move to Thunder Bay to be closer to medical services, where they can get home support services. That's depopulating our smaller communities and putting them further at risk as it relates to their own economy.

Ms. Sarah Campbell: Thank you. I'll pass it over to John.

The Vice-Chair (Ms. Soo Wong): One minute.

Mr. John Vanthof: Thank you very much. You made a great presentation. One thing I think you did as well as anyone today is show very well that one size does not fit all across Ontario.

I'd like you to just take a few seconds to talk about non-emergency medical transfers, because I know that in Timiskaming-Cochrane, it's a big deal.

Mr. Iain Angus: I'm not sure if I can do it in a couple of seconds, but certainly we have a situation—again, I can speak for the Thunder Bay district, which is administered by the city of Thunder Bay rather than the DSSAB.

We are struggling to find a solution. We're working closely with the LHIN to obtain the necessary funding. A private sector solution is not possible. The volumes are such, the distances are such that no one could make a return on investment. So it really is up to the public sector to pay for that, and it becomes a choice between do you have an emergency ambulance available in a Terrace Bay or a Schreiber—

Mr. William Bradica: Or not.

Mr. Iain Angus:—or not, because most of the time—I think there's about a 20% utilization, at best, in the district, and that means that the rest of the time they're usually doing the transports to deliver people to Thunder Bay for tests and back again, taking them out of the communities, making them unavailable for their true role, which is emergencies.

The Vice-Chair (Ms. Soo Wong): Thank you very much for your presentation.

Mr. Iain Angus: Thank you.

THUNDER BAY AND DISTRICT LABOUR COUNCIL

The Vice-Chair (Ms. Soo Wong): The next speaker is the Thunder Bay and District Labour Council: Elaine Kerr.

Mr. Monte McNaughton: What was that, Soo? I'm just kidding.

The Vice-Chair (Ms. Soo Wong): I'll remember that next time.

Can you identify yourself for Hansard?

Mr. Carlos Santander-Maturana: Certainly. I am not Elaine Kerr, as you can see. My name is Carlos Santander-Maturana. I am currently the first vice-president of the Thunder Bay and District Labour Council.

The Vice-Chair (Ms. Soo Wong): Thank you. You can begin.

Mr. Carlos Santander-Maturana: Thank you.

The Thunder Bay and District Labour Council is very pleased to see that the Liberal government changed their initial stand on the pre-budget 2013 consultation process and decided to hold hearings in Thunder Bay. Thunder Bay is a live, vibrant community, a geopolitical and economic hub for the vast lands in northwestern Ontario that cannot and must not be ignored.

The Thunder Bay and District Labour Council is a democratic organization chartered by the Canadian Labour Congress and is composed of a large number of unions in the private and public sectors of economic activity. The Thunder Bay and District Labour Council is generally perceived as the voice and the legitimate advocate for the interest of workers and the destitute in the Thunder Bay area.

The Ontario government is facing today a very interesting political predicament. On one hand, they could listen to the proponents of fiscal austerity to get out of a recession lingering for too long, or they could decide to move forward with a budget designed to put the interests of the people first.

Taking the path of austerity could only mean a very difficult road in order to fix the economic problems created by a market economy beyond the control of the majority of Ontario denizens. The deficit in Ontario was created in part by the reduced tax revenues due to the economic crisis and partly due to the policies of tax breaks for corporations, with the hope that the extra money would be reinvested in Ontario—policies that began during the Conservative government of Premier Mike Harris and were really never totally eradicated by the former Premier, Dalton McGuinty.

Putting the emphasis on controlling the fiscal deficit as a means of promoting economic growth is a major fallacy. Everyone understands that tightening the belt on public expenditure inevitably will result in an inability to solve the economic challenges that Ontario is facing today. Wage restraint measures as proposed by the Ontario Chamber of Commerce will result in a very serious impact for small and medium-sized business that will see a significant segment of their economic base without the means to purchase that coveted new refrigerator or car, or unable to do the house renovations that are so badly needed. Other jurisdictions that have shown leadership since the outset of the 2008 recession, and did make the political decision to directly or indirectly stimulate their economies through public expenditure, have been able to show economic growth at a larger rate than those falling into the austerity trap.

We propose that the Ontario government put people back to work through serious job creation programs, either through direct stimulus or through appropriate incentives to ensure that the private sector reinvests the millions of dollars in dead money that they are hoarding and that incidentally are causing the economy great damage. According to Mr. Mark Carney, governor of the Bank of Canada, if a company cannot think of what to do with that cash, they should "give it back to shareholders and they'll figure out what to do with it." We are not big fans of Mr. Carney, but in this case, he is undeniably right.

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We also propose to re-examine the taxation system. Part of the crisis in the government coffers is undoubtedly due to the significant corporate and personal tax cuts that Ontario has been engaged in since the late 1990s.

The corporate tax rate in our province is one of the lowest among industrial North American jurisdictions.

In our opinion, there is a direct correlation between the fiscal deficit, systemic economic crisis and quality of life. While for the majority, a recession means hardship, for others it means opportunities. The vast majority of the people in Ontario have been at the receiving end of a disastrous impact of the recession, while the top 1% is steadily increasing their already inflated incomes. In fact, the latest data from Statistics Canada shows that in the province of Ontario, the gap between the haves and have nots is becoming more and more substantial.

Our proposal for your consideration is rather simple. Invest to reduce the social deficit. Invest in public transportation. Ensure that made-in-Canada and, more specifically, made-in-Ontario provisions are an integral part of any public expenditure. Ensure that the provincial infrastructure is properly addressed; emphasis should be given to the development of permanent roads reaching northern aboriginal communities to incorporate them into the economic life of the province. Invest heavily in health and public education. Pay attention to the plight of the elderly. Invest in supportive services. Reduce the deficit of the endemic lack of beds in long-term care. Increase the financial support for initiatives directed to provide supportive housing for the elderly. Implement the Ontario social assistance review recommendations. Make good on the commitment to reduce child poverty by 25% by the end of 2013.

The Ontario government is in a unique position to make a difference in the lives of the people who have suffered so much since the outset of the recession in 2008. The only component that they need is the political courage to make decisions that will benefit the majority, not the usual small elite that seem to be increasingly getting a bigger and bigger share of the pie.

Thank you very much for your consideration.

The Vice-Chair (Ms. Soo Wong): Thank you very much. You have seven minutes for questions. Mr. Del Duca.

Mr. Steven Del Duca: Thank you very much, Madam Chair, and thank you very much for the presentation today.

You do mention that you propose that the Ontario government consider putting people back to work through a series of job creation programs. Can you elaborate on what kind of programs you're talking about?

Mr. Carlos Santander-Maturana: I don't have the information in order to elaborate mostly about economic issues, programs. But certainly any public money to reinvest into the local economy through major infrastructure would be beneficial, especially for the people in northwestern Ontario. Any money that is going to go into infrastructure is going to have a spinoff effect into different, other areas of the local economy.

Mr. Steven Del Duca: Thank you. And I don't think I heard anything during your presentation regarding the apprenticeship system in the province of Ontario. I wonder if you have any thoughts you can share with us about the status of the apprenticeship system right now.

Mr. Carlos Santander-Maturana: Any enhancement to the apprenticeship system that will benefit workers would be an excellent initiative, and we certainly hope that a more socially inclined Premier in Ontario will put emphasis in that area of the apprenticeship.

Ms. Dipika Damerla: Thank you for your presentation. I just wanted to make a comment. I was wondering if you're aware of the fact that in Ontario, we've recovered all of the jobs that we lost in the recession, and some. We are now at 140% of the jobs that we lost. I was just wondering if you had a comment on that, because for the United States, the numbers are 55%. I forget what they are for the UK. So we are far, far ahead of the Americans in terms of the number of jobs we have created since the ones we lost in the recession. I just wanted your thoughts on that.

Mr. Carlos Santander-Maturana: Yes, in fact, it was really some information, economical data, regarding the recovery in Ontario. Due to the fact that there was a direct influx of money into public areas, Ontario was able to recover quicker than other jurisdictions. That's why I put emphasis on the fact that controlling the deficit shouldn't be one of the major priorities for the Ontario government, because controlling the deficit will remove some of the money that we need in local economies in order to keep people working.

Certainly, we are in a better position to recover the many other areas due to the infrastructural—the excellent skilled labour of the Ontario workers, and the fact that in the last four years, you have been making some effort to put people back to work.

Ms. Dipika Damerla: I take your point. It's not that I don't take your point, but the reality is we pay about \$10 billion a year in interest alone, and that's in a very low interest rate environment. So we're not talking that this is what we want to do. It's more about what are the options? Even a slight increase in interest rates would really balloon what we pay in interest. Think about what we could do with that \$10 billion that we're paying in interest. That's another way to look at it. I wanted your thoughts on that.

Mr. Carlos Santander-Maturana: I do get that point. Also, at this point, Ontario could borrow money at the lowest-ever interest rate. I always use the analogy of governing the province is almost like owning a house. If I need to repair the roof this year because I see that there are some potential problems, I will borrow the money in order to fix it, knowing that if I don't do it today, five years down the road I'm going to be facing a significant, major crisis.

Ms. Dipika Damerla: Do we have any time left?

The Vice-Chair (Ms. Soo Wong): Two more minutes.

Ms. Dipika Damerla: Because this part of Ontario, in my understanding, is booming when it comes to jobs—if anything, people aren't being able to fill the jobs. I just wanted your thoughts on—were you referring to job creation specifically for northwestern Ontario when you were talking about those programs?

Mr. Carlos Santander-Maturana: There is a great deal of potential for job creation in Ontario, but the creation is due and tied mainly to the Ring of Fire mining interests. That's why we mentioned in our presentation that we need to be able to develop roads that will incorporate aboriginal communities in the local economy and into the life of the province. I mean, at this point, there are some roads which are dealing with some mining interests, but they don't even go to the aboriginal communities, so they are not reaping the benefits.

I also bring the issue of land claims and negotiation with the provincial government regarding aboriginal issues and the natural resources that we are extracting from their ancestral lands. But that's an issue that we might examine in a different time.

Ms. Dipika Damerla: Yes, thank you very much.

The Vice-Chair (Ms. Soo Wong): Thank you very much.

Mr. Carlos Santander-Maturana: Thank you.

FRIENDS OF THE ONTARIO RANGER PROGRAM

The Vice-Chair (Ms. Soo Wong): The next group coming forward is the Friends of the Ontario Ranger Program. Emily Kerton and Matthew Roy, come on down. All right, you have 15 minutes, and this round of questioning will be the opposition party. Welcome.

Ms. Sarah Kerton: Thank you. First, I'd just like to introduce myself. I'm actually Sarah Kerton, but it's not your mistake; I'm representing my sister, Emily Kerton. She wasn't able to come today, but we are both Ontario rangers.

When I was 17 years old, I had a life-changing experience. Sixteen years later, my life is still shaped by the summer I spent as an Ontario ranger at Moose Lake Ranger Camp near Minden, Ontario. As a result of my experience, I chose to pursue post-secondary education in environment and resource studies at the University of Waterloo. I worked in Ontario Parks for 11 years. I did my bachelor of education in outdoor experiential education and taught high school locally here in Thunder Bay. I then completed a master's of natural resource management at the University of Manitoba's Natural Resources Institute, and have since been working for the city of Thunder Bay, coordinating multi-stakeholder working groups on environmental issues and leading the development and implementation of municipal and community plans on climate change mitigation and adaptation.

My experience as an Ontario Ranger gave me a new personal confidence I had been lacking, and resulted in me dedicating my career to the public service and to building a more sustainable future. I like to think that the work I have done so far has made a positive impact on my community.

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I'm here today to speak on behalf of the Friends of the Ontario Ranger Program and to implore the provincial government to reverse the proposed changes to the On-

tario Ranger Program, a highly successful, community-building, transformative youth program, recently cancelled for 2013.

Run by the Ministry of Natural Resources, the program has existed for 68 years. Its roots began prior to that, during the Depression, with the creation of the Dominion-Provincial Youth Training Program. It became Junior Rangers in 1945. Girls were included in 1973. The program offered youth aged 17 a chance to work in an area of the province far from their hometown for eight weeks during the summer. Youth were paid minimum wage minus a room-and-board charge, and were given an opportunity of a lifetime: a chance to see the Ontario public service in action, a chance to learn new skills, develop themselves professionally and personally, and become leaders.

The mission statement of the program, taken directly from the 2012 Ontario Ranger handbook, states: "The Ontario Ranger Program strives to develop knowledge and skills in ecological sustainability and integrated natural resources management through educational, practical and meaningful work experiences for participants. Through program opportunities, the Ontario Ranger Program promotes an enhanced understanding and awareness of Ontario's natural resources management and supports the development of participant personal life and leadership skills."

Since 1944, when it was called the Junior Forest Ranger Program, it has employed approximately 78,000 youth, engaged them in stewardship and natural resource management, and achieved, with great success, the objectives set out by the Ministry of Natural Resources. In the MNR's vision statement for the program, they stated: "Through partnerships and projects, the Ontario Ranger Program succeeds in meeting the Ministry of Natural Resources's priorities to support the economy, the environment and a stronger relationship with First Nations."

The Ontario Ranger Program also provides opportunities to engage Ontario residents in promoting stewardship and fostering an improved understanding of Ontario's biodiversity conservation goals.

During the program's 68-year tenure, it saw many drastic cuts. The most notable was in 1989, when the number of positions was cut from 1,400 to 900. This was due to government constraints and decreasing enrolment in the program. The decreased enrolment was attributed to a lack of program awareness and changing demographics. Revitalization efforts included a new communication strategy, a high school co-op credit program and exploration of corporate sponsorship. In 1990, the MNR considered external funding options such as the Environmental Youth Corps. Soon after, Jobs Ontario Youth, now called Jobs Ontario Summer Employment, evolved as a special initiative, contributing \$1 million to the Ontario Ranger Program.

In 2008, the MNR and Ministry of Education collaborated to offer a co-operative education program at specified camps. Throughout 2009 and 2010, the Ontario

Ranger Program grew its co-op program to six camps, acquired \$3.2 million of federal monies for capital projects focused on upgrading camp infrastructure and delivered approximately 94 person-years' worth of natural resources management work over two years. In this past year, 2012, of the Ontario Ranger Program, 13 camps offered 278 positions, seven camps having co-op opportunities and two camps with a bilingual component.

Our province is currently devising a youth employment strategy, something that will engage its citizens, allow youth to learn new skills while earning money, and promote the public service as being one of the best employers out there. The Ontario Ranger Program is the answer and the solution. This program is already well established as being a successful, effective youth employment endeavour. Why invest tax dollars to reinvent the wheel while cutting a historical legacy? The operating budget for the entire program during the summer of 2012 was \$1.6 million, a drop in the bucket compared to many other existing programs that have far less impact.

We have been told by the previous Minister of Natural Resources that the reason for cutting the program was because it would take a capital investment of \$8 million to keep the camps operating under health and safety guidelines, and yet the staff who have been intimately associated with the camps and have been part of their maintenance and health and safety inspections do not agree that this large of an investment is anywhere close to accurate.

Not only was the program worthwhile to the participants, but the Ontario Ranger Program was of economic benefit to 13 small towns across the province. Each camp made a particular effort to buy locally, and it stands to reason that local businesses will feel the financial strain of not having this program within their community.

Not only was the Ontario Ranger Program a stimulus to the local economy, it was widely recognized as a valuable and important service within MNR districts. Without the program, many services will no longer be provided due to lack of staff and funding—maintaining hiking trails and public areas in provincial parks and maintaining canoe portage routes in remote access locations, just to name a few. These are features that bring tourism dollars into our communities.

In addition to providing these important services to the public, Ontario Rangers supported projects in local municipalities and were active in multi-day animal research projects such as gathering information on species such as barn swallows and woodland caribou; bathymetry with local fish and wildlife technicians; and restoration of fish habitats. The implications of this closure are far-reaching. We feel that this cost-cutting measure seems to be stepping on the kind of program that distinguishes our province as being particularly remarkable.

The MNR is stating that the number of youth positions will not change in the summer of 2013. While confirmation of details is still lacking, the number of jobs available may not change but the quality and experience associated with this program will be decimated. There is

no substitute for staying with peers in a camp, seeing other parts of the province, and learning by doing, 24 hours a day, seven days a week. Day camp in a youth's own community, where they return to their family and established circle of friends each evening, is not going to replace this immersive experience.

The Friends of the Ontario Ranger Program aims to empower the youth of Ontario by advocating for the Ontario Ranger Program. We aim to demonstrate to all Ontarians that the Ontario Ranger Program is an integral part of the Ontario public service. The program unifies the north and the south of Ontario during a time when an ever-growing disconnect is occurring between urbanized environments and our natural resources. The Friends of the Ontario Ranger Program recognizes that cuts are being felt across the board. However, we stand to say that investing in youth programs, which unite all of Ontario through positive community engagement, are programs that are worth investing in.

Apparently the new Premier agrees. The new Ontario government has created the first-ever Premier's Council on Youth Opportunities to ensure that young people across the province have the tools they need to help them succeed.

Kathleen Wynne stated: "If we want young people to succeed, we need to understand their priorities and concerns. By giving them a voice, we will support their development and secure a brighter future for all the people of this province."

The chair of the Premier's Council on Youth Opportunities has said, "Through the establishment of the Premier's Council on Youth Opportunities, Ontario has demonstrated a bold commitment to ensuring that programs and supports for youth reflect the needs, wants and expectations of young people and their allies."

When truly considering the cost of a program—an incredibly efficient and incredibly meaningful program—we must consider the cost of its loss to our youth, to our provincial legacy and to our future. It makes absolutely no sense to develop new youth strategies and other youth initiatives while simultaneously cutting a time-tested, efficient and effective program which is widely adored by its participants and routinely called "the best summer of my life."

Testimonies, photos and other information can be found on the friendsoftheorp.com website if you'd like to look further at those.

I have a testimony of another ranger here as well that I would just like to share. She says: "I was a ranger at Mink Lake in 1997. The eight weeks I spent as a ranger inspired the path my life has taken since. I studied wildlife and habitat ecology, geography, anthropology and science communication in university. I've been an assistant marine archeologist with the Ontario Ministry of Citizenship, Culture and Recreation; a natural heritage education interpreter at Bon Echo Provincial Park; an environmental monitoring and fisheries technician for the city of Ottawa; a teaching assistant and field technician for Laurentian University; a field technician for

Kejimikujik National Park and National Historic Site; and am now a science educator at the Royal Tyrrell Museum of paleontology.

"Since my time as a ranger, I've shared my love and passion for science with thousands of people, and it all started with eight weeks in Quetico Provincial Park when I was 17 years old.

"Without my experiences from my summer as a ranger, I can confidently say that I would not be where I am today or who I am today. The skills learned and the relationships built in eight weeks can and do last a lifetime."

You can read testimonies like that, and many more, from lots of people of all ages on the Friends of the ORP website.

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The Vice-Chair (Ms. Soo Wong): Thank you very much. You have five minutes, and this round is the PC Party.

Mr. Monte McNaughton: Thank you very much. That was an excellent presentation. This topic came up earlier today with someone who presented earlier. I was saying that my brother actually was selected as a Junior Ranger in the 1980s, so I know how amazing a program it is and how it's impacted thousands of people over the years.

Is the specific ask of the government \$1.6 million?

Ms. Sarah Kerton: That was the operating cost in 2012, so—

Mr. Monte McNaughton: That would be the ask.

Ms. Sarah Kerton: Yes. We'd like to see the program reinstated.

Mr. Monte McNaughton: So where are things at, going forward, as of right now? Are you looking at partnerships with the private sector at all? Or is it, as of right now, going to be phased out?

Ms. Sarah Kerton: As far as I know right now, it's gone.

Mr. Monte McNaughton: It's done. Okay.

Ms. Sarah Kerton: Yes, it's gone.

Mr. Monte McNaughton: Was there any consultation before they pulled the plug on this?

Ms. Sarah Kerton: No, and staff at the camps who run the camps all closed up expecting to be there again next spring.

Mr. Monte McNaughton: So no warning—

Ms. Sarah Kerton: And no return.

Mr. Monte McNaughton: Sort of a made-at-Queen's Park decision that essentially just pulled the plug overnight on this.

Ms. Sarah Kerton: Yes.

Mr. Monte McNaughton: Just one last thing: How many kids last year in the program? Did you say two hundred and—

Ms. Sarah Kerton: Two hundred and seventy-eight last year.

Mr. Monte McNaughton: And at its peak?

Ms. Sarah Kerton: At its peak, there were over 1,000. There were about 1,500 students per year.

Mr. Monte McNaughton: And in 1989, it went from 1,500 to 900.

Ms. Sarah Kerton: To 900.

Mr. Monte McNaughton: And then it's slowly gone down.

Norm?

Mr. Norm Miller: Sure. You mentioned that the, I guess, excuse from the government for shutting down was the capital cost to maintain the—I can't remember the number of camps you said, but \$8 million, I believe, was the dollar figure you mentioned. But you said that some of the people who work there think that's not realistic or is greater than it needs to be. Can you expand on that, please?

Ms. Sarah Kerton: Yes, and I would be happy to get you more information on that, as well, because I'm not as intimately knowledgeable about those details. But the camp staff who run the camps and undertake their health and safety inspections and use the infrastructure every summer are not aware of any required upgrades that would come near that cost.

The camp that I'm most familiar with here, at Sleeping Giant Provincial Park, where I worked for eight years—I didn't work at the camp, but it's located within the staff quarters area. I worked in the provincial park for eight years there. The new quarters for the Ontario Ranger Program were built in 2001, and it's a beautiful facility. So not all the camps—there may be some that are older than others, but not all of them require any upgrades whatsoever.

Mr. Norm Miller: So do you think an option, if the government just wants to shut it down at this point, might be to try to see if there would be sponsors that would be willing to support the program?

Ms. Sarah Kerton: It's a potential route, yes.

Mr. Monte McNaughton: I did have a question. What was the reason that the government gave? Did they just say it was because of budget issues, or did they release sort of a statement? I'm trying to figure out how the announcement was made.

Ms. Sarah Kerton: It was included in the fall in their—

Mr. Monte McNaughton: Economic statement?

Ms. Sarah Kerton: I forget what they called it.

Mr. Monte McNaughton: In the fall, though?

Ms. Sarah Kerton: Yes, in the fall—

Mr. Monte McNaughton: In their economic statement.

Ms. Sarah Kerton: —in their re-evaluation of the MNR's operations, I guess. And there was public input on their licensing. There were four components to what they cut, and there was only public input on the licensing through the Environmental Bill of Rights.

Mr. Monte McNaughton: I just think, when the government spends \$120 billion a year—I mean, they pay the head of the air ambulance service at least \$1.6 million. I think some figures are saying it's \$2.5 million a year now. I think for something that's so important to so

many people and has such a long history in the province of Ontario—68 years, I believe you said—it's a shame.

Ms. Sarah Kerton: They have replaced it with a day—they say that they've replaced the programs with a day position, the Stewardship Youth Rangers Program, but it's not the same. This program has a far reach. It achieves so many of the goals that the Ontario public service and the MNR are trying to achieve and address through other programs.

The Vice-Chair (Ms. Soo Wong): Thank you very much for your presentation.

Mr. Monte McNaughton: Great. Thank you.

Ms. Sarah Kerton: Thank you.

THUNDER BAY HEALTH COALITION

The Vice-Chair (Ms. Soo Wong): All right. The next speakers are the Thunder Bay Health Coalition: Evelina Pan and Jules Tupker. Can you identify yourself for the Hansard, please?

Mr. Jules Tupker: Good afternoon. My name is Jules Tupker and I'm a co-chair of the Thunder Bay Health Coalition. With me today is Evelina Pan, a member of our coalition.

The Thunder Bay Health Coalition is a public advocacy, non-partisan organization made up of community groups, individuals and unions who are committed to maintaining and enhancing our publicly funded, publicly administered health care system. We work to honour and strengthen the principles of the Canada Health Act and medicare. I just wanted to also add that we are affiliated with the Ontario Health Coalition.

The Thunder Bay Health Coalition is here today to provide some information on health care issues here in Thunder Bay and in Ontario and to offer some suggestions to the Liberal government so that it can prepare a budget that provides the proper measures to implement effective health care in Thunder Bay and Ontario.

I'd like to begin my presentation by sharing some figures about the North West Local Health Integration Network that our coalition provided for the Commission on Quality Public Services and Tax Fairness, chaired by Judy Wasylycia-Leis in January last year.

The North West LHIN covers 47% of the land mass of Ontario. It has the lowest population of any LHIN in the province, with almost half of the population living in the city of Thunder Bay. It has the highest unemployment rate in Ontario. It has the highest percentage of aboriginal peoples. Compared to the rest of the province, the North West LHIN has a higher rate of non-urgent emergency department visits; a higher rate of chronic disease, including diabetes, high blood pressure, and arthritis and rheumatism; a higher percentage of mental health visits to emergency departments for substance abuse disorders; a higher percentage of deaths before age 65; a higher rate of suicide; a higher proportion of residents who smoke; a higher proportion of heavy drinkers; a higher percentage of residents who are overweight or obese; a lower percentage of residents having contact with a medical

doctor in the past year; and a lower life expectancy for women and men.

The causes of these statistics include a lower socioeconomic situation, poor lifestyle behaviours, poor health status, decreased availability of informal caregivers, and an aging population with an ever-increasing need for health care services.

In addition to the above-noted problems, we have a shortage of skilled caregivers; a declining population, causing further diseconomies of scale; and a declining local economy.

The above-noted figures have, for a number of years, resulted in many problems in our acute care health system at the Thunder Bay Regional Health Sciences Centre and, lately, in our long-term-care system.

Ms. Evelina Pan: The regional health sciences centre here in Thunder Bay was built to serve as a hub for all of northwestern Ontario. Because it's the hub, it has, since opening, experienced overcrowding in the emergency department, resulting in an almost continuous gridlock situation. There is a constant backlog of patients waiting in the hospital for alternate-level-of-care beds. Patients are in beds in corridors, alcoves and examining rooms. This overcrowding in the ER has resulted in unsafe conditions with regard to fire safety and causes stress on the staff in the ER. The overcrowding has also resulted in very long waits and turnaround times for ambulances because they have to wait to offload patients when there are no beds available in the ER. During one visit to the ER, five ambulance crews were waiting at one time to drop off their emergency patients. Delays like this are unacceptable.

The backlog of alternate-level-of-care patients in acute care beds is a drain on the nursing staff trained to care for acute care patients and is unfair to the patients who require the special care and treatment that can be provided in a long-term-care home but that cannot be met in an acute care setting. Alternate-level-of-care patients should be in their own homes or in a facility that serves as their home, not in a temporary bed in the hospital.

To try to overcome the latest overcrowding situation, the North West LHIN came up with an 11-point plan that included freeing up 10 beds in the surgical day care unit; placing the alternate-level-of-care patients in palliative care beds at St. Joseph's Hospital; converting five respite beds at Bethammi to long-term-care beds; placing alternate-level-of-care patients in convalescent care beds; opening up additional capacity at a hotel; and creating additional respite space in retirement homes.

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These moves are hardly appropriate and are at best temporary and lead to a number of questions, including questions about staffing requirements and nursing care regulations. A better solution needs to be found for the continuous overcrowding at the hospital.

Why is there overcrowding and a backlog at the hospital, and why are there no beds for the alternative level of care patients? We think the answer is quite simple: The government is simply underfunding the health care system.

The February 2013 hospital board meeting received a financial position for the seven months ending at the end of November as a deficit of \$1.8 million, compared to a deficit of \$2.3 million the previous year and a budgeted deficit of \$1.3 million. Not long ago, the hospital stopped cataract surgeries because of a shortage of funds. This cancellation has now been reversed because of the movement of money by the North West LHIN from one service area—which we still don't know what it is—to the cataract surgery envelope.

Hospitals all across the province are facing similar situations and are being forced to cut services. The Ontario Health Coalition in its Austerity Index report lists hospitals throughout the province that have had cuts to their budgets ranging from \$300,000 to \$17 million, with a subsequent cancellation of many procedures and the closing of many beds. The provincial government cuts have even gone as far as a proposal in the Niagara area to close five hospitals before they even build a new one.

Hospital spending in Ontario is the lowest of any province in Canada. In 2012, Ontario was funding hospitals to the tune of \$1,372 per person, while the average for all of Canada was \$1,870. Funding on health care in general in Ontario in 2012 was the third-lowest in all of Canada on a per capita basis and as a percentage of provincial GDP.

Mr. Jules Tupker: In June of last year the North West LHIN announced the closure of the 65-bed Thunder Bay Interim Long Term Care home and the 28-bed Lakehead Psychiatric Hospital psychogeriatric dementia care unit. The Thunder Bay Interim closed its doors in October, but the LPH unit is still operating because of a lack of appropriate alternate space for some of the residents living there.

These two closures were carried out despite the severe overcrowding that was and still is experienced at Thunder Bay Regional. Wait times for long-term care in Thunder Bay have been the longest in the province, at times reaching close to 200 days. This is an unacceptably long wait time for long-term-care beds, and the closures at TBI and the LPH exacerbated the situation. A new massive long-term-care home supportive housing structure was to have been completed by 2013; however, this building, called the Centre of Excellence for Integrated Seniors' Services, will not be ready for at least three years and will provide few, if any, increases in the number of long-term-care beds available in Thunder Bay. The closure of TBI was, we feel, precipitated by the need for the government to reduce costs. This closure has resulted in the unnecessary disruption of vulnerable seniors' lives.

The closure of TBI saved the provincial government just under \$3.6 million, which the North West LHIN is using to expand home care services. The North West LHIN, in its November 26, 2012, background document Keeping People Healthier at Home in the North West LHIN, reported receiving \$3.66 million in increased funding from the provincial government. We

believe that this funding is not increased funding, but merely a movement of funds from the long-term-care sector to the home care sector.

Ms. Evelina Pan: The idea of having people stay in their homes rather than moving into a long-term-care home is a wonderful idea that few people can find fault with. However, implementing such a program will cost money. The government's planned 4% increase in funding to the home care program will not come close to meeting the requirements necessary to provide the services needed. An enhanced home care service program will need a massive injection of money for the equipment and supplies sufficient to provide the services that people need to stay in their homes. Funding the homeowners to renovate or adapt their homes to enable them to stay at home will also be needed. A compensation package for home care staff to provide pay scales at the level of hospital workers must also be looked at and will cost more money.

Mental health has chronically been underfunded. The Ontario mental health strategy plan for child and adolescent psychiatry in the Thunder Bay district is short three child psychiatrists. In fact, most regions in Ontario except Toronto and Ottawa are understaffed. Children's aid society funding has been limited. The Thunder Bay children's aid society funding has been limited. The Thunder Bay children's aid society can no longer afford to pay the Thunder Bay regional children's centre for all the behavioural treatment beds that are needed. As a result, a group treatment home has been closed, and skilled staff must look elsewhere for employment.

Mr. Jules Tupker: In conclusion, we'd like to make the following recommendations.

Health care spending in Ontario is and has been shrinking as a percentage of the Ontario budget over the past few years, according to the Ministry of Finance budget reviews. This decrease in health care funding has to stop and has to be reversed in the upcoming budget.

Funding increases to the following areas are essential. Increase hospital funding annually by a minimum of 3%.

Ensure that hospital funding is not tied to increased home care funding. Reducing hospital funding to provide funding for the Home First program is unacceptable.

Put more than 4% into the new Home First philosophy for home care and take off the 2% wage freeze placed on home care workers.

Increase funding to long-term care to provide for more beds and enable homes to provide an average minimum of three and a half hours of personal care per resident.

Increase funding for all mental health programs to ensure proper treatment and care is provided for all of our citizens.

Secondly, the Ontario Health Coalition reported that since 1995, the province of Ontario has led the country in corporate and personal income tax cuts that have benefited primarily the wealthiest individuals and corporations. Ontario ranks among the lowest corporate tax jurisdictions in North America and continues to propose corporate tax cuts even though those corporations have

failed to invest the tax savings back into Ontario. According to economist Hugh Mackenzie, \$15 billion is being lost in corporate taxes each year. The tax loopholes for corporations should be closed, and taxes to corporations should be increased to provide revenues for public services like health.

Thirdly, poverty in Ontario is growing, particularly among children. Childhood poverty tends to lead to poorer health in adulthood. The rate of chronic disease in Thunder Bay is among the highest in province. To keep health care costs down, the government must make eliminating poverty a key objective, and the province must provide adequate funding to inclusive community supports such as mental and physical health care and social housing.

Ms. Evelina Pan: In conclusion, the Thunder Bay Health Coalition has been raising concerns about health care issues in Thunder Bay for a long time, and the Ontario Health Coalition has done the same for health care across Ontario. But our concerns have not yet been addressed by the provincial government.

It's important that our concerns are added to those of so many other Ontarians and that the government take the time to listen to citizens and make the proper choices in the upcoming budget. Listening to the people and implementing their wishes is the basis of a sound democratic government, and we hope that this government will act accordingly. Thank you.

The Vice-Chair (Ms. Soo Wong): Thank you very much. You have three minutes. The third party.

Ms. Sarah Campbell: Thank you for your presentation. I think that you're right on. Certainly, the comments that you have made, the observations that you have made, are the same observations that we have been hearing, talking to people across the province.

I just wanted to touch on a couple of the things that you said. One is with regard to home care. Again, it's no surprise that people in the north have some of the longest wait times for home care. We've been hearing that time and time again. What are your views or thoughts about implementing a five-day home care guarantee? Do you think that's something that could be beneficial?

Mr. Jules Tupker: I can give you first-hand information. My wife had a knee operation back in October, and she had a home care visit within the next day. Your proposal for a five-day minimum is already being met in certain situations, so I don't know exactly what your policy is on that five days. Is that people who are elderly and have a requirement for home care right away? I'm not sure what that means.

Clearly, I think people who are sent home from the hospital—quite often, they're sent home and they are still struggling. They would probably need service within a day. So I think the five-day minimum should be within a day. Five days would be nice, but I think a one-day minimum is what's required.

Ms. Evelina Pan: We actually know of a situation where a woman—I would have said "elderly," but she's probably my age, so—

Laughter.

Mr. Monte McNaughton: Young.

Ms. Sarah Campbell: A young woman.

Ms. Evelina Pan: This woman was sent home from the hospital with a bag, but the family either wasn't told or didn't understand that they had to change the bag. So when it filled up, it backed up, and—

Interjection.

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Ms. Evelina Pan: Yes, exactly—the outcome was not good, and she didn't make it. I think that if home care had been provided immediately and for the five days right after she was sent home, then somebody would have been there to say, "Oh, look. The bag is 90% full. We should change it. Do you know how to change it? This is how we should change it." This is what we do, and I think, in that one instance anyway, that person's life might have been saved. When we're talking about discharges from hospitals, an immediate home care plan needs to be set up.

I was at an Alzheimer's meeting this morning. The need for home care for Alzheimer's patients is really great, either for the patient themselves or for the in-home care partner.

The Vice-Chair (Ms. Soo Wong): Thank you very much. We don't have more time.

Ms. Sarah Campbell: Have we run out?

The Vice-Chair (Ms. Soo Wong): We ran out of time. Sorry.

Ms. Sarah Campbell: Thank you.

The Vice-Chair (Ms. Soo Wong): Thank you very much for your presentation.

Mr. Jules Tupker: Thank you.

CITY OF THUNDER BAY

The Vice-Chair (Ms. Soo Wong): The next speaker is Mayor Keith Hobbs from Thunder Bay. Good afternoon. Can you please identify yourself for the Hansard?

Mr. Keith Hobbs: Thank you. It's Mayor Keith Hobbs, city of Thunder Bay. Thank you, Madam Chair. With me to my left is Joe Virdiramo; he's the chair of our intergovernmental affairs committee. To my right is Chief Peter Collins, chief of Fort William First Nation and our closest partner. In October of last year, we signed a historic declaration of commitment with Fort William First Nation, and they come with us for any representation for the city. To his right is Tim Commisso, our city manager.

The Vice-Chair (Ms. Soo Wong): You can begin.

Mr. Keith Hobbs: Okay, thank you. We'd really like to thank you for seeing us today on short notice. Thunder Bay encourages the province of Ontario to remain on course with further strategic policy directions and partnership engagements that stimulate economic growth. The city of Thunder Bay continues on course to diversify and transition our economy and labour force. Economic indicators reflect that the continued effort of each government as well as the ongoing progressive partnerships

have had substantial influences on the level of growth and economic stability of our community.

In recent years we have afforded citizens a stable labour market and a real sense of positive change and transformation, and many share a sense of optimism for their future. The momentum must keep advancing, and we outline to the province a number of economic growth opportunities in our submission today. We will address opportunities and related budget recommendations, beginning with the Thunder Bay and Fort William First Nation Mining Readiness Strategy, municipal infrastructure, rising costs of interest arbitration awards, provincial grant limitations for EMS operation costs, new social development community impacts, and increasing financial demands and integration opportunities within the northern Ontario growth plan.

If I can, I will turn it over to Chief Peter Collins to speak about the Mining Readiness Strategy.

Chief Peter Collins: Thank you, Madam Chair. On April 30, 2012, the Thunder Bay city council approved the implementation of the Mining Readiness Strategy, an integrated regional economic development plan to be prepared in collaboration with Fort William First Nation and the Thunder Bay Community Economic Development Commission. The draft report will be released on Friday, April 5, with the final report presented at the NOMA AGM held in Thunder Bay at the end of April.

Northwestern Ontario is well positioned to capitalize on major industrial development opportunities over the next five to 10 years related to exploration and mining, including, but not limited to, the Ring of Fire. If you look at that section there, there are lots of presentations being developed within our region, within our communities. We had a mining forum in Fort William First Nation last week here in Thunder Bay, and there are exploration and mining opportunities being developed over at the Valhalla Inn today.

The Mining Readiness Strategy is a comprehensive, inclusive and integrated economic development strategy designed to help northwestern Ontario stakeholders focus on capitalizing on many of the opportunities that mining development will bring to the region, be it job creation, business opportunities, infrastructure development or improved quality of life for aboriginal and non-aboriginal populations. This is a once-in-a-century opportunity for the region, the province and the country as a whole and is a critical economic driver for Ontario and the northern Ontario growth plan.

The mining sector has become one of the most strategic sectors of the global economy, and Ontario is the largest mineral producer in Canada, with \$10 billion in GDP annually. Ontario is already recognized as a world mining leader in education, research and development, environmentally sustainable practices and occupational health and safety. In 2011 alone, mineral exploration direct expenditures in Ontario reached a record of \$1 billion, including \$475 million in northwestern Ontario alone. A total of 13 major exploration projects in the region are forecasted by industry to be in

production between 2013 and 2017, and five existing mines are all in expansion mode today.

Goals of the Mining Readiness Strategy include optimizing job creation opportunities, estimated to be in the thousands—if you look at those, we talk about all of northwestern Ontario and the opportunities throughout the whole region—for all those living in Thunder Bay, Fort William First Nation and northern Ontario, and maximizing business opportunities, including the use of regional companies for exploration, construction and operation of mines.

On April 26, 2013, the final Mining Readiness Strategy will be presented to provincial ministers and senior staff, all of whom are closely connected to the mining sector. Areas of the strategy include local and regional needs, focusing on: transportation planning and infrastructure; power generation and transmission—potential partnerships with industry and aboriginal communities that will address future residential, business, by way of an industrial energy assessment; workforce training and development; business development; economic growth levels; economic growth strategies; environmental sustainability and responsible growth; housing and community services; research and development; and capital investment and financing. As a result, unprecedented economic growth and diversification of the entire region and the province of Ontario is expected to take place and contribute significantly to the quality of life and development of all communities, including aboriginal, local and regional.

Recommendation: Aggressive planning through partnerships between the city of Thunder Bay, Fort William First Nation and the province of Ontario is vital for northwestern Ontario development in the mining sector. The budget should recognize this significant opportunity for northern Ontario and provide strategies and funding to maximize the economic growth opportunities for all of Ontario.

I thank you.

Mr. Keith Hobbs: Thank you, Madam Chair. Did you want me to continue with the next—

The Vice-Chair (Ms. Soo Wong): Well, there will be time for questions. This round, the questions will be from the government side.

Mr. Keith Hobbs: So do you want us to go through all our—

The Vice-Chair (Ms. Soo Wong): Do you have any more you want to present? Because there's a little bit of time.

Mr. Keith Hobbs: Yes, definitely. Thanks.

We'd like to talk about municipal infrastructure first. Former Infrastructure Minister Bob Chiarelli recognized Thunder Bay as a model which other Ontario communities could follow. The city of Thunder Bay, since 2011, currently has an Enhanced Infrastructure Renewal Program. We put a 1.5% tax increase every year into roads and into infrastructure, and we are a model for Ontario.

We recognize that our streets and our infrastructure are our responsibility, but when it comes to major pro-

jects, we definitely need funding from other levels of government, and that's what we're asking for today.

We recognize ReNew Ontario, and we have our own Renew Thunder Bay, which includes a proposed new events centre on our improved waterfront, for which we received \$15 million in provincial and federal funding.

The city cannot achieve its goals without support from other levels of government. Therefore, we strongly recommend the continued development and implementation of joint provincial-federal-municipal infrastructure programs.

Since 2010, municipal infrastructure spending in Thunder Bay has incrementally increased by approximately \$3 million each year, as city council has been progressive and focused on enhanced infrastructure investments that accelerate the rebuilding and repairing of aged infrastructure. Infrastructure investment funding is critical to maintaining roads, highways, airports, power, bridges, ports, water distribution and waste water treatment. Thunder Bay can justify increasing the infrastructure spending as we transition our economy in the mining sector as the hub of northwestern Ontario.

The city of Thunder Bay recommends that the province of Ontario address the pent-up demand for infrastructure investment funding that is increasing. The greatest challenge to communities is external funding and a community's ability to fund rapid-aging infrastructure.

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Our key messages: The city of Thunder Bay thanks the government for recognizing the infrastructure challenges we face and for the much-needed support through provincial funding programs. The city of Thunder Bay fully supports the government's long-term, 10-year plan to address provincial infrastructure challenges. The northern Ontario growth plan must continue to offer a strategic framework for making decisions about economic growth that is sustainable, builds strong communities, and promotes a healthy environment within a culture of conservation.

We are hopeful provincial infrastructure spending will align with economic priorities in the growth plan and the Thunder Bay and Fort William Mining Readiness Strategy.

We encourage the government to consider infrastructure from a broader perspective and include priority projects that improve the quality of life for all citizens in our community; an example is provincial funding for community facilities focused on crime prevention and youth engagement such as event centres.

The city of Thunder Bay is well positioned to partner with the province of Ontario on priority infrastructure projects. Future provincial-municipal infrastructure investment or funding programs must provide flexibility to allow each community some latitude in determining the priorities within our own communities.

I'm going to hand it off to Councillor Joe Virdiramo for arbitration.

Mr. Joe Virdiramo: Thank you very much, Madam Chair. I'm going to be speaking on the rising costs of arbitration.

The cost of arbitration awards for police and fire contracts is rising faster than any other municipal service area, as well as the rate of inflation, and overall represents a major fiscal challenge each year in preparing the city of Thunder Bay municipal budget.

Thunder Bay is similar to many other Ontario cities, with emergency services costs representing a substantial portion of our municipality's budget. We agree with the position of AMO that arbitration has not effectively addressed a municipality's fiscal and economic circumstances. Awards are tied to decisions that are more often based on settlements in other municipalities under different and varied economic environments. Comparing Thunder Bay's essential services workers to provincial arbitration awards is unfair as we simply do not have the tax base of larger urban centres.

Interest arbitration decisions can take years, as was the case in 2011, when a seven-year award was approved, and related to city of Thunder Bay firefighters. Decisions are inconsistent with the collective agreements we negotiate for other employees and, in the current economy, they are out of touch with the economic challenges that communities face. On average, double-the-rate-of-inflation awards are the norm for emergency services, at a time when other employee groups are agreeing to tighten their belts.

The city of Thunder Bay supports AMO's position and recommends as follows: Changes are needed to get interest arbitration working the way it was intended. The system should be fair and balanced for everyone; accountable and transparent for taxpayers; sensitive to fiscal challenges; and efficient and timely.

Thank you, Madam Chair.

The Vice-Chair (Ms. Soo Wong): Thank you very much. There are two more minutes for the government side questions.

Mr. Steven Del Duca: Do you have anything else to add?

Mr. Tim Commisso: Madam Chair, I don't think there's time, obviously, to talk in detail, but just to cover the two off, we have, through our delegations at AMO and at ROMA/OGRA, put all of these issues on the table with the government.

One is the provincial funding for EMS. EMS is an area where we provide a district service—not only Thunder Bay, but in the district—to 11 municipalities, I believe—sorry, 15 municipalities and 11 First Nations. It's an area that's under strain. It's an issue of funding, but it's an issue of how the funding is provided. A good example: We approved a new ambulance last year—24/7; \$800,000. We have to wait a year to find out whether that's going to be supported by the province, and we have to spend the money first. It hardly seems fair, as well as the fact that we built a brand new facility, a district headquarters, and the funding formula just does not match up very well. Anyway, that's covered off in our brief.

The last item—Mr. Mayor, do you want me to speak to this briefly as well?

Interjection.

Mr. Tim Commisso: Thank you. In the various deputations we've made to AMO and OGRA over probably the last three or four years, we have identified the impacts on Thunder Bay of what we would call social development issues and community issues—issues with respect to the fact that we are a community that is certainly a regional centre and also a catchment area. We accept that and we value that, but the challenges, as we are providing, and the city is having to look at providing, services that clearly go beyond the municipal mandate.

Anyway, I will leave it at that. I think it's in the brief. Thank you.

The Vice-Chair (Ms. Soo Wong): Okay. You've got one minute to ask a quick question.

Ms. Dipika Damerla: Okay. Thank you, Mayor and councillors for coming. I just wanted to commend you on the great job you're doing in Thunder Bay. I've heard some presentations earlier that suggested that the economy is booming and there are a lot of jobs. So, well done. I don't have a lot of time so there's no point in asking questions, but I'm sure we can take your lead from Thunder Bay in the rest of Ontario.

Mr. Keith Hobbs: Thank you.

The Vice-Chair (Ms. Soo Wong): Thank you very much for your presentation.

ISKATEWIZAAGEGAN NO. 39 FIRST NATION

The Vice-Chair (Ms. Soo Wong): All right. The next speakers are Chief Eli Mandamin and Councillor Leon Mandamin. Welcome. Can you identify yourself for Hansard, please?

Chief Eli Mandamin: Okay.

Remarks in Ojibway.

Chief Eli Mandamin from Iskwatwizaagegan First Nation. In my language, I acknowledged and thanked everybody that is giving us this opportunity. Sarah Campbell, yourself, thanks for lobbying for this process.

I have some historical information I've got to share with you. In my language, I talked to your spirits, because that's the true us, and also to the clans, if you have clans from wherever you are from. I'm not here to offend anybody; I'm not here to overstep anybody. I've been a leader in my community for quite some time now and I'm trying to do the best I can with all the odds that are against us. That's some of the things that I want to talk about, so I want to thank the standing committee for giving me an opportunity.

Very quickly, the dynamics we're living on in Shoal Lake—it's right in a corner of the United States and Manitoba, but also we'll be much more condensed if the twinning project goes. There's a twinning proposal that was announced four years ago by the Prime Minister and the Premier of Ontario. But they forgot we lived there even though we were there before they ever came to this part of the world. That has been one of the hidden hinges that we've gone through.

Anyway, my presentation starts off with: One of the highest responsibilities endowed on the chief and council of Iskwatwizaagegan—Iskwatwizaagegan means “shallow lake.” It's very important because at one time we were a lake on our own but because of exploration and timber, they blasted a hole to connect us to the Lake of the Woods. Some engineer knew that a lot of people were dying in Winnipeg because of their bad water, so he figured out a way to divert the water that went into the city of Winnipeg through our lake. There are 55 million gallons of water going to Winnipeg every day, and they're trying to pump it up to 100 million gallons a day. We don't get a cent of all the impacts that we've lived through in that community.

We recognize that the political landscape has evolved since the adoption of section 35 of the Canadian Constitution and the rulings of the Canadian Supreme Court that affirm that inherent and treaty rights are paramount and must be addressed by every level of Canadian government and society.

The chief and council of Iskwatwizaagegan No.39 Independent First Nation strive to ensure that all development activities occurring within the traditional territory of the nation adhere and comply with the duty to consult and accommodate relative to their inherent and treaty rights.

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The duty to consult and accommodate has been further amplified by the passage of the United Nations Declaration on the Rights of Indigenous Peoples, which stresses that states and non-indigenous entities need to obtain the “free, prior and informed consent” of indigenous peoples when a development or undertaking is going to directly impact them.

I want to talk a little bit about the declaration. I was a chief in the early 1990s when this declaration was first announced, and I was one of the first presenters at the United Nations in Geneva to make a presentation on behalf of Iskwatwizaagegan regarding the treaties and also the water rights. So we have an investment in this declaration. A couple of years ago, I lobbied that the Olympic torch be coming into our community, and for that reason I wanted to announce to Canada and the United States back then to adopt this declaration. Shortly after that, they adopted this declaration. So I know this declaration exists and I know where it came from.

Access to the natural resources by non-aboriginal entities within our territory as part of the Treaty 3 area has always been conditioned in accordance with our traditional laws, customs and protocols. This is reinforced in the terms of the Paypom version of Treaty 3 that has been consistently held since its signing.

As we stated, our community has a long history of resource development and extraction throughout the territory. We have consistently advanced each activity and each matter, adhering to our vision and consistent with the Treaty 3 consent clause.

Mr. Leon Mandamin: Madam Chair, I'm just going to read this little section off here that affirms our right

and our treaty rights that any development within our territory must have our consent. It's one of the treaties in Canada that has the word "consent" in it, and it reads like this:

"Her Majesty reserves the right to deal with such settlers as she shall deem just so as not to diminish the extent of land allotted to Indians; and provided also that the aforesaid reserves of lands, or any interest or right therein or appurtenant thereto, may be sold, leased or otherwise disposed of by the said government for the use and benefit of the said Indians, with the consent of the Indians entitled thereto first had and obtained."

And that's one of our reasons why we've always dealt with governments and municipalities regarding this word "consent" on there. It's very important to our people and we hold that very dearly to ourselves. As the chief says, that's the backbone of our dealings, and for our future as well—because of the spirit and the intent, there are two meanings behind that. So I hope you guys go back and do some research on this and understand what the treaty is all about.

Chief Eli Mandamin: In order to honour the spirit, meaning and intent of this clause and of our treaty relationship as a whole, we advance the opportunity and importance of creating an enduring government-to-government mechanism between our nation, Canada, and the provinces of Ontario and Manitoba.

The Iskatewizaagegan chief and council find that economic discrimination against indigenous people still persists throughout the Iskatewizaagegan indigenous territory despite a large presence of non-indigenous economic opportunities generating wealth from non-indigenous members. The chief and council further find that jobs in businesses and other economic opportunities on or near the territory are important resources to which indigenous people, organizations and companies must have unique preferential rights predicated on our inherent and treaty rights.

While much attention has been given to consultation, very little has been developed that will advance the accommodation aspect of this duty. Throughout our talks with the various ministries, it has been our objective to create an enduring mechanism to adopt a process that will facilitate and give structure with one another going forward which includes a commitment to negotiate in good faith towards a mutual resolution of past impacts and infringements and an approach of mitigation and accommodation for such impacts and infringements on a go-forward basis. Such a process would ensure ongoing respect for our rights and responsibilities as affirmed by treaty is maintained now and through time regarding resources in our territory within Treaty 3. Such a process would also need to be funded appropriately so that Iskatewizaagegan can achieve a fair, balanced and mutual negotiation process.

A treaty is a relationship that requires an ongoing ability to address matters fully and openly, respectful of all interests. Through a process we describe here, the opportunity to move forward in the best interests of all

emerges. Realizing the treaty requirement of consent and achieving free, prior and informed consent as affirmed in the United Nations Declaration on the Rights of Indigenous Peoples should not be seen as a barrier or threat against development but rather as a guiding principle that will facilitate and enable sustainable opportunity and responsible development through respectful partnership.

The goal: The creation of a framework, processes and steps for achieving accommodation of our inherent and treaty rights in a manner that fosters consistency, predictability and accountability, consistent with the principle of free, prior and informed consent; and the concrete establishment of a mechanism for nation-to-nation and government-to-government interaction that fosters sustainable, environmentally enhancing and culturally congruent development.

The process: For the nation, the concept of accommodation means the orderly process by which projects and development are conceived, planned and implemented within an environment that acknowledges and protects our nation's inherent and treaty rights and interests. No one else is equipped to know, understand and protect the inherent and treaty rights of the nation except the nation itself. Therefore, when the nation is prepared to assist in the advancement of a project or development, our participation is mandatory in all phases.

While we have and will continue to consistently oppose resource development on a post-notice or claim basis, we remain open to a positive, mutually accountable process.

The Vice-Chair (Ms. Soo Wong): This round of questions is from the opposition party. Mr. Shurman.

Mr. Peter Shurman: Thank you very much, Chief. I appreciate you coming here, and it's an articulate presentation. But if I could boil it down to a sentence or two, you're saying, "Respect us. We deserve it." Am I right?

Chief Eli Mandamin: Yes.

Mr. Peter Shurman: Okay. If we were sitting down and we were beginning a negotiation process that would arrive at a point where you felt you were respected, what would you be saying to me, just person to person? What would you like me to do? These are budget hearings; this is about how the province spends its money. I'm quite interested to hear what you have to say, whether it's about money or not.

Chief Eli Mandamin: I have many kids, many grandkids, so I would be thanking you on their part, because it has been a long-awaited time for people to have a dialogue. It's very difficult, as a chief who has been groomed and brought up to know about the treaty, because in your education institutes, there's no mention of the treaties. That's always the first problem that I have when you send bureaucrats to me: I have to educate them. When I sensitize them, they get changed, and I have to re-educate a bunch. It's been a very endless environment. We need a future for our kids and grandkids. That's what we're about.

Mr. Peter Shurman: Would it be fair to characterize your position as feeling cheated? Do you feel cheated?

Chief Eli Mandamin: Yes. Yes, I have been cheated.

Mr. Peter Shurman: So can you quantify that in any way? You gave us an example of water being diverted and now even more being demanded to satisfy the needs of the city of Winnipeg, and you having no say, much less financial reward or any kind of quid pro quo for providing that water. What's that worth? What should the process have been, and what should be taking place now?

Chief Eli Mandamin: I think, as we're talking about in our presentation, there are a lot of issues that have happened in the past that need to be brought up in order for us to heal properly. We had a residential school in Shoal Lake, but every time, Winnipeg would say, "You're ruining the quality of water." Every economic opportunity we had or the opportunity we had to school our own kids was taken away.

Mr. Peter Shurman: Are there other examples? For example, are there mineral rights that are being exploited in your territory that you are not being compensated for?

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Chief Eli Mandamin: Yes. In fact, there are tailings there. I'm afraid for the health of my community, because MNR denies those tailings. They're right at the mouth of my lake. When you have 55 million gallons a day streaming down, the tailings of toxics are kicking into the shorelines.

Mr. Peter Shurman: Where are you now with regard to any kind of dialogue with MNR or with aboriginal affairs?

Chief Eli Mandamin: They keep lowballing us. How we're feeling in our communities right now is that we're expected, by the provinces and by the federal government, to live on these reserves and to be poor and to die poor on these reserves. That's the reality of where we're at. We're poor.

The Vice-Chair (Ms. Soo Wong): Thank you for your question. We can have one quick question. Mr. Miller?

Mr. Norm Miller: Well, it's not that quick a question. I was going to ask about conditions on your reserve and some more information about that.

Chief Eli Mandamin: I have about 80% unemployment. I have a big project, the twinning that's developing. I have mining companies that are banging on the door. I have the water—they want to bring it up to 100 million gallons a day so they can accommodate an industrial park that they're building in Winnipeg.

As I said in my presentation, there are all kinds of activities going on around us, but we're not getting a share of anything. We're just having a lot of feel-good meetings with Ontario.

One of the things that was left behind, besides the treaty and the Indian Act, is that the boundary—when you put the boundary right on my reserve, you didn't sort out our issues. I lost 17 rice fields in Whiteshell. To us, wild rice is very important. We harvest it. It's called manomin—good seed from the Creator—and it was taken away because now Manitoba has a Wild Rice Act.

So that border has done a lot of damage to us, and it's still damaging us today.

With the water rights: Ontario gave Manitoba the water rights when the border was put in place there. So Ontario should have a role to play in the water, but they're not there at the meetings.

The Vice-Chair (Ms. Soo Wong): Thank you very much, Chief, and the councillor.

TOWNSHIP OF PICKLE LAKE

The Vice-Chair (Ms. Soo Wong): Our last speaker is Mayor Hoffman from the township of Pickle Lake. Welcome.

Mr. Roy Hoffman: Thank you, Madam Chair. I'm Mayor Roy Hoffman from the town of Pickle Lake. I'm also the president of the Kenora District Municipal Association. I sit on the DSSAB for the Kenora district as a board member, and I'm also a board member on NOMA. However, today I'm here mainly to speak as mayor of Pickle Lake.

First and foremost, I'd like to thank you for coming to Thunder Bay. It's not very often that we get an opportunity to talk to a group like this, so thank you very much. On that note, I'm just going to start my presentation.

Pickle Lake is located 535 kilometres northwest of Thunder Bay by road. We are a small, remote community with a population of 425 people and an annual operating budget of approximately \$2 million. Just as a side note: It's a six-hour drive to get here. I have to spend a night in a hotel. With per diems, mileage and everything else, this 15 minutes is costing me a thousand bucks, just to give you some sense of how everything up north is way more expensive.

The operation of our water and sewer plants consumes 20% of our budget, or \$400,000 annually. The township only recovers approximately \$330,000 of this, even though we know we're supposed to be on a cost-recovery basis. Over the past six years, the township has been raising the water and sewer rates by 5% to 10% per year, so we've been doing our part. Our taxes have gone up probably about 2% a year. But the operating cost of \$400,000—that still doesn't include capital. That's, on average, about \$50,000 a year for what I'll call just normal expenditures, things that you expect to go wrong. For example, last month we had two pumps we had to rebuild—\$9,000 each. We had a worm drive go on our sewage plant. That was about \$10,000 to fix, and that was about two or three months ago. However, every once in a while a huge capital expense comes up. Right now, the situation we are faced with is, our water tower has developed a leak, and all indications are it's going to be about a half-million dollar job to fix this problem. Just to get it inspected is \$30,000, just to find out what the problem is.

The infrastructure funding programs that the government currently has, this one-third, one-third, one-third split, just doesn't work for a small community like Pickle Lake. The township has no surpluses at year end to put

away into reserves. Virtually all our monies are spent every year. All monies that would have been surplus are spent keeping our water and sewage plant running.

About six or seven years ago, our issue was the costing with the OPP. Now our big issue is the water and sewer. Every time we turn around, there's something breaking down. And it's not to say we're not running a good water and sewer plant; before Walkerton, pre-Walkerton, we had great water. Now we still have great water. However, we have a lot more rules and regulations to deal with. That is very hard for a small community, because whether you're a community of 5,000 people or a community of 500 people, the cost of operating a water plant is the same.

Our town office is located in an ATCO trailer. Our community hall was built in the 1970s and has not had any kind of facelift since. Our fire department has to rely on old fire trucks that are in constant need of repair. The frustrating part of this is that the township is mandated to provide the water and sewage at a level that is not sustainable, and we have to sit back and watch the rest of our community's infrastructure suffer.

This is what I was saying. It's really hard. We're watching our community hall and everything, and we have no monies to fix them up. To apply for a grant—like I was saying, that one third, one third, one third—just does not work. We're okay with doing smaller projects, I'll say. Like we're saying, if a pump goes, we have to spend \$5,000, \$10,000. No problem. That's well within our means. Even a project of \$50,000 is maybe within our means. But when you're talking projects that are in the hundreds of thousands of dollars, if not millions of dollars, it doesn't work for us, really, very well.

A number of years ago, when the infrastructure stimulus funding was out there for everyone, Pickle Lake was one of the only communities that did not receive any funding. The township had put an application in for a new multi-purpose facility that would have a new town office, a new community hall and a courthouse under one roof. The project was approximately \$5.1 million and was approved. However, several things happened that were out of the township's control.

First, by the time we got our approval and were ready to move forward to the bid process, numerous construction projects were already in play in the northwest. By the time we did go to bid, we only received two bids, the lowest being \$6.6 million and the other \$10 million. Secondly, part of the funding that would have come from NOHFC to bring our one-third portion down to approximately 10% fell through, and the whole project ended.

This brings me to this next point, which I said at the beginning: Being in a remote community such as Pickle Lake has significantly higher costs of operating, whether it's construction, whether it's attracting good people and so on. It's a much higher cost. My recommendation and what I would like to see is one of two things: either you come up with a funding formula when it comes to infrastructure that is geared to—when I say small commun-

ities, not 10,000 people, that's a city; not even 5,000, that's a big town that has a different dynamic. You have to come up with funding that is geared to small, rural communities of less than 500, less than 600, less than 700. That is within our means.

The other thing you can do, which was brought up, I believe, in the Walkerton report—the recommendations to the government; I believe it was number 84, but I'm not 100% sure on that—is that the government "may" assist small water-users financially. That's the big word: "may." But that's another way out. If we had some help on the water and sewer side of it, that would free up cash on the other side to apply for some of these one-third, one-third, one-third grants.

Ring of Fire: The Ring of Fire is a mining opportunity that has the potential to drive the economy in north-western Ontario for years. Pickle Lake is one of the closest municipalities to this project, yet indications are that a north-south route versus an east-west route through Pickle Lake is being considered.

Presently, Pickle Lake is the only route which all goods pass through to get to the many First Nations communities north of us. Pickle Lake services approximately 18 of these communities with everything from fuel, building supplies, heavy equipment, mail, groceries—you name it, it goes through Pickle Lake.

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The decision to only service the Ring of Fire with a north-south route will have a drastic negative economic impact on our community. Businesses in our community that have built up over the last 30 years to supply these communities stand to lose 30% of their business. This north-south route will hook up six First Nations communities immediately, with the potential to hook up with more in the future. Pickle Lake, Sioux Lookout, Dryden and Ignace all stand to have a negative economic impact if the north-south route is chosen.

The solution: Give Cliffs Natural Resources and Noront Resources the north-south rail line only, to enable them to get their product out to market as cheaply as possible, and give Pickle Lake the all-weather road to the Ring of Fire so that our region, the Kenora district—which, by the way, the Ring of Fire falls in—can retain our connection to the First Nation communities and benefit from the mining activity in the area.

The comparison I like to use here, and it's sort of a reverse scenario, is: What if the federal government of Canada decided to close the Pigeon River crossing? What economic impact would that have on the Thunder Bay region and Duluth and so on and so forth? You're talking massive. Well, this is the other way around. The government is now talking about creating a whole new different access to the Far North, which currently is through Pickle Lake, through the winter road system. It's going to have a drastic impact on us, unless that win-win situation where they get the rail, and we get the all-weather road, and everybody's happy.

Lastly, the government has spent a lot of monies on the big three in southern Ontario. These mining oppor-

tunities will have an enormous impact on the economy of the entire province. The government of Ontario must step up to the plate and build the required infrastructure needed to move these projects forward.

A case in point: Pickle Lake has been maxed out on our power line that comes from Ear Falls since the Musselwhite mine was built in 1995. Musselwhite is still short on power and has to generate some of their needs by using diesel generators. But right now, the way the current system is set up, if a new mine were to open in Pickle Lake today, the mining company or corporation would be responsible to get the power to the mine site. This would require the building of a power line 350 kilometres long from Dryden or Ignace and a capital investment of at least \$250 million. This might be within a big corporation's ability to pay, but for a small junior mining company, this makes the project totally uneconomical.

This is why the government of Ontario has to step up to the plate and provide the necessary infrastructure needed to get these projects up and running. Once built, then the government can charge a toll, fee or some kind of a payback scheme over a period of years to recoup all or part of the investment. I sometimes wonder, if we had power in 1995 in Pickle Lake, how many mines would we have had—and the economic benefit to the province?

With that, it sounds like doom and gloom, but there are good things happening in Pickle Lake as well. I'm very optimistic that, through some of these activities, there is prosperity on the way. But these are the realities we have to face today.

The Vice-Chair (Ms. Soo Wong): Thank you very much. This round of questions is for the third party. Ms. Campbell?

Ms. Sarah Campbell: How much time do we have?

The Vice-Chair (Ms. Soo Wong): Four minutes.

Ms. Sarah Campbell: Okay.

I want to thank you very much for coming here and for making the presentation. It's so important that we have perspectives and people weighing in all across the province, especially as we're leading up to this budget.

One of the questions that I have is about toll roads. It's something that I asked the mayor of Nipigon earlier, and it's something that the new Premier, Premier Wynne, has said might be a way to address some of the infrastructure needs in small northern and rural communities—in fact, communities across northern Ontario. Is that something that you think is the answer to some of the municipal infrastructure problems and challenges that you have in a community like Pickle Lake?

Mr. Roy Hoffman: Wow. I was going to say, "Explain toll roads." The only thing that I've heard about toll roads was, actually, dealing with the mining companies. I didn't realize there was something on the table about toll roads for all users. I'm not sure if that would go over well.

Ms. Sarah Campbell: Okay. The other question I have for you is, you talked about the responsibility that the province has to step up and to facilitate this and, I

would say, meet industry partway to make sure that this happens. Would you say that they have this responsibility especially given the fact that it's our area where they're standing to make billions of dollars?

Mr. Roy Hoffman: Yes.

Ms. Sarah Campbell: Is there anything else that you'd like to add that you didn't have the opportunity to add?

Mr. Roy Hoffman: I think it's money well invested. There's going to be a report coming out shortly from the Thunder Bay Mining Readiness Strategy, and there are already some numbers out there from the ambassadors' club in Thunder Bay about the money and taxes that the government is going to actually generate from all this mining activity. It's an investment, but the infrastructure has to be there to collect on the money. Like I was saying, a lot of these companies can't afford to put in the infrastructure.

I compare it to the national railroad when it was built. The government of Canada—somebody—had a vision. They built a railroad to where, at that point? To nowhere. But there was a vision that this was going to be a big economic boom for the country.

The government of Ontario has to come up with a big-picture vision of this whole north—not just the Ring of Fire, but the access to the communities, the power to the communities. I think that's what's lacking here, this overall lack of vision for how we're going to deal with opening up the north. There has got to be a big-picture strategy there.

Ms. Sarah Campbell: Thank you very much for your presentation. I appreciate it.

The Vice-Chair (Ms. Soo Wong): Thank you. That ends the presentations for this round of hearings.

COMMITTEE BUSINESS

The Vice-Chair (Ms. Soo Wong): I believe the Clerk is circulating some motions from the third party. Before we go through this conversation, I just want to remind members that tomorrow morning, we commence, at 9 o'clock back at Queen's Park, the writing of the report.

The motions before us will be discussed at tomorrow's meeting. Okay? The member who is presenting this will be tabling it for the purpose of the records. I just want to make sure people understand that. There will be no discussion because we have understood from last week's conversation, and historically, that the writing of the report of the finance committee is done in camera, and we need to respect that process.

Ms. Campbell or Mr. Vanthof, which one of you wants to take the lead on this?

Mr. John Vanthof: I'd like to file these four motions to put them on the record.

Motion 1: I move that the Standing Committee on Finance and Economic Affairs recommends that the Minister of Finance, in the government's 2013-14 budget:

—direct FSCO to reduce average, industry-wide, private passenger auto insurance premiums by 15% in the next 12 months.

Motion 2: I move that the Standing Committee on Finance and Economic Affairs recommends that the Minister of Finance, in the government's 2013-14 budget:

—make permanent the temporary restrictions on the implementation of HST input tax credits that would apply to corporations and financial institutions for items like meals, entertainment, telecommunications and company vehicles;

—implement the Commission on the Reform of Ontario's Public Services, the Drummond report, recommendation of reducing the ability of corporations to eliminate or decrease payment of provincial corporate income tax by shifting profits and losses across Canada;

—maintain the EHT exemption rule for small business but at the same time, eliminate the exemption on the first \$400,000 in payroll for all companies with payrolls over \$5 million, or roughly 100 employees.

Motion 3: I move that the Standing Committee on Finance and Economic Affairs recommends that the Minister of Finance, in the government's 2013-14 budget, implement a youth job creation initiative that would create at least 25,000 jobs over two years for participants by:

—providing young people, aged 16 to 26 years, an entry point to long-term employment opportunities, where participants would learn life and work skills while earning income;

—establishing a fund that would commit at least \$78 million in the first year and at least \$117 million the following year towards creating jobs for youth and to fund on-the-job training in these jobs.

Motion 4: I move that the Standing Committee on Finance and Economic Affairs recommends that the Minister of Finance implement a balanced approach to balancing the books without leaving people falling further behind.

We will be asking for an open session tomorrow during report writing to debate and vote on these motions.

The Vice-Chair (Ms. Soo Wong): Thank you very much. We end the session today. All right, we are adjourned today. We are back to Queen's Park tomorrow at 9 a.m. Thank you very much.

The committee adjourned at 1551.

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STANDING COMMITTEE ON FINANCE AND ECONOMIC AFFAIRS

Chair / Président

Mr. Kevin Daniel Flynn (Oakville L)

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Ms. Soo Wong (Scarborough–Agincourt L)

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 Mr. Steven Del Duca (Vaughan L)

 Mr. Victor Fedeli (Nipissing PC)

Ms. Catherine Fife (Kitchener–Waterloo ND)

 Mr. Kevin Daniel Flynn (Oakville L)

Mr. Monte McNaughton (Lambton–Kent–Middlesex PC)

 Mr. Michael Prue (Beaches–East York ND)

 Mr. Peter Shurman (Thornhill PC)

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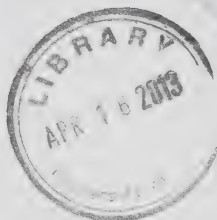
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Assemblée législative de l'Ontario

Deuxième session, 40^e législature

Official Report of Debates (Hansard)

Thursday 4 April 2013



Journal des débats (Hansard)

Jeudi 4 avril 2013

**Standing Committee on
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et des affaires économiques**

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ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRSCOMITÉ PERMANENT DES FINANCES
ET DES AFFAIRES ÉCONOMIQUES

Thursday 4 April 2013

Jeudi 4 avril 2013

The committee met at 0929 in committee room 1, following a closed session.

PRE-BUDGET CONSULTATIONS

The Vice-Chair (Ms. Soo Wong): All right, are we ready to go? Mr. Prue or Ms. Fife, which one of you wanted to move these three additional motions?

Interjection.

The Vice-Chair (Ms. Soo Wong): Just read it on the record, like we did yesterday.

Ms. Catherine Fife: Thank you, Madam Chair. With regard to motion 5, which you have before you, I move that the Standing Committee on Finance and Economic Affairs recommends that the Minister of Finance that the government, in its FY 2013-14 budget, to include a five-day home care guarantee in order to address the challenge of over 6,000 people on waiting lists and eliminate wait times that can be in excess of 260 days.

Motion 6: I move that the Standing Committee on Finance and Economic Affairs recommends that the Minister of Finance—it should read “to the Minister of Finance”—that the government, in its FY 2013-14 budget, implement a social assistance reform initiative that would support people in finding work and becoming independent by changing social assistance rules that currently take away 50% of people’s earnings, starting from the first dollar of wages, by allowing social assistance recipients to keep 100% of the first \$200 they earn each month.

Finally, motion 7: Be it resolved that the Standing Committee on Finance and Economic Affairs directs the Minister of Finance—it should read “to.”

Mr. Michael Prue: No, “directs the Minister of Finance to the government.”

Ms. Catherine Fife: —that the government implement the following cost-saving initiatives—

Mr. Michael Prue: Sorry, I got it backwards. Let’s do it again. It’s “directs to the Minister of Finance that the government.”

Ms. Catherine Fife: —directs to the Minister of Finance that the government implement the following cost-saving initiatives in its FY 2013-14 budget:

—reviewing government expenditures and finding savings within the current fiscal framework that doesn’t impact the services Ontarians rely on;

—imposing hard caps on all broader public sector senior executive salaries to no more than double the

annual compensation of the Premier, which should be implemented as employment contracts expire;

—eliminating BPS management performance bonuses until the budget is balanced; and

—finally, not divesting Ontario government-owned revenue generators such as the LCBO, which brings the province more than \$1.6 billion to invest into services like hospitals and schools.

Thank you.

Interjection.

The Vice-Chair (Ms. Soo Wong): Ms. Fife, I’ve just been alerted by the Clerk that you need to do a friendly amendment, because you cannot direct the minister. You can recommend to the minister, like in the previous motion.

Ms. Catherine Fife: I would make that friendly amendment, for sure. Thank you.

The Vice-Chair (Ms. Soo Wong): All right. So it’s on record. That’s it for now. Unless we go back to discussion, we’ll go in camera. Mr. Shurman?

Mr. Peter Shurman: Are you telling us, Chair, that there’s no discussion of these motions whatsoever on the record?

The Vice-Chair (Ms. Soo Wong): What’s the will of the committee, because yesterday—

Mr. Peter Shurman: I’m quite prepared to discuss the motions on the record, at least to the extent that my party is willing to discuss them. Since they’ve been read on to the record, I think that we owe the public that much.

The Vice-Chair (Ms. Soo Wong): Mr. Colle, do you have any comments?

Mr. Mike Colle: If you want to discuss it in public, go ahead; they should be discussed in public.

The Vice-Chair (Ms. Soo Wong): In public? Okay. I hear that Mr. Shurman would like to have some discussion on—I would say probably all seven motions, as opposed to going in camera. Is that fine with everybody?

Mr. Peter Shurman: Yes.

Mr. Mike Colle: Sure.

The Vice-Chair (Ms. Soo Wong): Okay. All right. Mr. Shurman, off you go.

Mr. Peter Shurman: Thank you. I just want to say a few words on behalf of the position of the Progressive Conservative Party. Since we’re in what, in the broadest sense, are called pre-budget hearings, the purpose of which is to inform the budget, it seems somewhat out of

order—and I'm not trying to co-opt the Chair in any way—that we should be considering motions that really are about the end game of the New Democratic Party, which is their right, and that is to set some terms by which they are prepared to lend their support to whatever budget may be tabled by Finance Minister Sousa at whatever time he wants to table it. That seems to me to be a negotiation—if, indeed, the parties want to negotiate—between the Liberal Party and the New Democratic Party.

On the one hand, I take a look at these motions and I see elements that I could support. I don't see an ability to support, in the broadest sense, any of these motions. I don't see the purpose of taking a position on them from the standpoint of the PC Party. The PC Party will be inserting into the final report of this committee its own dissenting materials so that it forms part of the public record.

That being said, I want to go on record that while these motions are on the table, and we've agreed to have a discussion—indeed, a public discussion—my discussion begins and ends here. Our party will be abstaining on all of these motions, not because we don't support elements of them, but because we believe that this is a bilateral negotiation that's being done in a committee that doesn't have that for its purpose.

The Vice-Chair (Ms. Soo Wong): Okay. Ms. Fife?

Ms. Catherine Fife: The purpose in us bringing forward these motions is very clear. Last year, there was some discussion about what was included and what wasn't included in the budget. Our purpose is to put all of these motions, in a very public way, under the purview of the public scrutiny. The member from Thornhill and his party have already said they are not going to support the budget, so it's not surprising to us that you are not going to support these motions. It really is the terms and conditions of our support for the budget, as has rightly been pointed out. I would point out, though, that because this is pre-budget consultation, these motions came from our budget consultation in the province of Ontario, just as the Minister of Finance is conducting his own consultation. These motions are in order because they come from the people of the province of Ontario.

The Vice-Chair (Ms. Soo Wong): Ms. Damerla?

Ms. Dipika Damerla: Our position is that we don't have anything per se against each of these motions, but some of them are pretty specific in terms of where the budget is going to be. It's going to be informed by wider public consultations, not just what the NDP has heard. Perhaps all of these will end up in the budget; perhaps they won't. So given that context we are going to be abstaining as well.

Mr. Michael Prue: Given that there's nothing but abstentions here, we will not be abstaining. Therefore, I don't think that there's much need for a whole lot of debate. If we could just vote on them one at a time? If there are going to be abstentions from two out of the three parties, Ms. Fife and I will—

Mr. Peter Shurman: Do what you did on budget last year.

Mr. Michael Prue: I think we are prepared to vote for each one of them in turn. If we differ, the Chair can break the tie.

The Vice-Chair (Ms. Soo Wong): All right, so, listen: This is what is going to happen now. We are going to need whoever—we are going to go through each of these seven motions. You have to read it on record again, and then we are going to vote. Okay? This is the instruction that I have been given, okay?

Motion number 1. Mr. Prue, do you want to read it?

Mr. Michael Prue: Okay, I'll read number 1.

I move that the Standing Committee on Finance and Economic Affairs recommends that the Minister of Finance, in the government's FY 2013-14 budget, direct FSCO to reduce average, industry-wide, private passenger auto insurance premiums by 15% in the next 12 months.

The Vice-Chair (Ms. Soo Wong): Any discussion? All those in favour? Opposed? Carried.

Okay, motion number 2. Ms. Fife?

Ms. Catherine Fife: I move that the Standing Committee on Finance and Economic Affairs recommends that the Minister of Finance, in the government's FY 2013-14 budget:

—make permanent the temporary restrictions on the implementation of HST input tax credits that would apply to corporations and financial institutions for items like meals, entertainment, telecommunications and company vehicles;

—implement the Commission on the Reform of Ontario's Public Services (the Drummond report) recommendation of reducing the ability of corporations to eliminate or decrease payment of provincial corporate income tax by shifting profits and losses across Canada;

—maintain the EHT exemption rule for small business but at the same time, eliminate the exemption on the first \$400,000 in payroll for all companies with payrolls over \$5 million, or roughly 100 employees.

The Vice-Chair (Ms. Soo Wong): Okay. Any discussion? Seeing none, all those in favour? Opposed? Carried.

Mr. Michael Prue: Motion number 3: I move that the Standing Committee on Finance and Economic Affairs recommends that the Minister of Finance, in the government's FY 2013-14 budget, implement a youth job creation initiative that would create at least 25,000 jobs over two years for participants by:

—providing young people, aged 16-26 years, an entry point to long-term employment opportunities, where participants would learn life and work skills while earning income.

—establishing a fund that would commit at least \$78 million in the first year and at least \$117 million the following year towards creating jobs for youth and to fund on-the-job training in these jobs.

The Vice-Chair (Ms. Soo Wong): Any discussion? Seeing none, all those in favour? Opposed? Carried.

Motion number 4?

0940

Ms. Catherine Fife: I move that the Standing Committee on Finance and Economic Affairs recommends that the Minister of Finance implement a balanced approach to balancing the books without leaving people falling further behind.

The Vice-Chair (Ms. Soo Wong): Any discussion? Seeing none, all those in favour? Opposed? Carried.

Five.

Mr. Michael Prue: I move that the Standing Committee on Finance and Economic Affairs recommends to the Minister of Finance that the government, in its FY 2013-14 budget, to include a five-day home care guarantee in order to address the challenge of over 6,000 people on waiting lists, and eliminate wait times that can be in excess of 260 days.

The Vice-Chair (Ms. Soo Wong): Any discussion? Seeing none, all those in favour? Opposed? Carried.

Motion number 6.

Ms. Catherine Fife: I move that the Standing Committee on Finance and Economic Affairs recommends to the Minister of Finance that the government, in its FY 2013-14 budget, implement a social assistance reform initiative that would support people in finding work and becoming independent by changing social assistance rules that currently take away 50% of people's earnings starting from the first dollar of wages by allowing social assistance recipients to keep 100% of the first \$200 they earn each month.

The Vice-Chair (Ms. Soo Wong): Any discussion? Seeing none, all those in favour? Opposed? Carried.

Motion number 7.

Mr. Michael Prue: Motion number 7: Be it resolved that the Standing Committee on Finance and Economic Affairs recommends to the Minister of Finance—

The Vice-Chair (Ms. Soo Wong): No, you can't—

Interjection: "I move that...."

Mr. Michael Prue: "I move that"—okay. Sorry. Just one minute until I change my copy here, and we'll do it again.

The Vice-Chair (Ms. Soo Wong): Yes, can you redo that?

Mr. Michael Prue: Okay, motion number 7: I move that the Standing Committee on Finance and Economic Affairs recommends to the Minister of Finance that the government implement the following cost-saving initiatives in its FY 2013-14 budget:

- reviewing government expenditures and find savings within the current fiscal framework that doesn't impact the services Ontarians rely on;

- imposing hard caps on all broader public sector senior executive salaries to no more than double the annual compensation of the Premier, which should be implemented as employment contracts expire;

- eliminating BPS management performance bonuses until the budget is balanced;

- not divesting Ontario-government-owned revenue generators such as the LCBO, which brings the province

more than \$1.6 billion to invest into services like hospitals and schools.

The Vice-Chair (Ms. Soo Wong): Any discussion? Seeing none, all those in favour? Opposed? Carried.

Now we need to discuss—any more items? I don't see any more items on this thing. I believe, basically, we could adjourn this meeting; there's nothing else.

Interjection.

The Vice-Chair (Ms. Soo Wong): Are we meeting for report writing next week in the morning? Because I hear there was a dissenting report coming from the PCs, right? So we have scheduled every Thursday, this committee, to meet, and I know the minister is anxious to have us finish the report.

Mr. Shurman?

Mr. Peter Shurman: We technically can't meet in the morning to finalize any report for the minister if we're hearing more testimony in the afternoon. So either we need dispensation from the House, I guess, to meet specially on an off-day, or we can do report writing on the 18th. If the 18th is too late for the minister, then—

The Vice-Chair (Ms. Soo Wong): No, then later—I've heard that the sooner we can get this report, the better, so that the recommendations from this committee can go forward.

The Clerk of the Committee (Mr. Katch Koch): Chair, if I may, just for clarification, also what has happened in the past is that the committee would pass a motion to send a copy of the final report to the minister prior to the report being translated and printed.

Mr. Peter Shurman: I have no objection.

Mr. Michael Prue: I have none whatsoever.

The Vice-Chair (Ms. Soo Wong): So, what has been suggested is that we have made a number of little tweaking changes. Should we meet next Thursday morning at 9 to see one more? Because we now have to add in the Thunder Bay comment as well as a tweaking of Wilfrid Laurier, as well as the comment you made earlier, Ms. Fife, dealing with allocation of the threshold—the dental piece, right? So should we meet first thing Thursday morning? Mr. Shurman?

Mr. Peter Shurman: Is there a requirement so that we can semi-finalize that we put in any dissenting material between now and then, submitted to you?

The Clerk of the Committee (Mr. Katch Koch): So they could be established by the Chair—

Mr. Peter Shurman: Okay, so what I'm asking is, if we're going to meet to write a report or try to create a semi-final version of that report, with the only thing not left in being the subsequent reporting that relates to the testimony to be given, that means you would need our dissenting material some time imminently?

The Clerk of the Committee (Mr. Katch Koch): Yes.

Mr. Peter Shurman: Fine. We'll make sure that that gets there.

The Vice-Chair (Ms. Soo Wong): Ms. Damerla?

Ms. Dipika Damerla: I just wanted to make a comment on the fact that we are planning to have another, I

guess, hearing on Thursday, April 11. While I understand the rationale for it, on second thought, I do feel—and I think the party feels—that given that the budget is imminent it's going to be very, very difficult for the Minister of Finance to take into account anything that's coming out as late as the 11th and incorporate that in his budget. So, I really think it's moot to have that. It's not the best use of taxpayer money. I just wanted that on the record.

The Vice-Chair (Ms. Soo Wong): Mr. Shurman?

Mr. Peter Shurman: I've heard from my Liberal friend on the record, and that's on a post-vote basis. We've done the vote on that. That motion has been passed. So, are we hearing a motion that you want to reopen that vote? Since we're on the record, I'm going to say on the record that I don't believe for one damn minute that the minister takes any of what we've done into account at all. He holds his own pre-budget hearings. He's holding them right now. He has been holding them for a month. That's it.

Mr. Mike Colle: Can I ask to speak?

The Vice-Chair (Ms. Soo Wong): Okay. Mr. Colle?

Mr. Mike Colle: Yes. I think that in terms of this minister's timetable there's no reason why—I'm sure the minister would be very happy to receive more input. Even if we submit the whole report and then an addendum to the presentations by the three experts be sent immediately to the minister right after, the minister should welcome more input. So, I hate to disagree with my colleague, but—

Mr. Peter Shurman: You're not disagreeing with me. I'm perfectly happy to do it.

Mr. Mike Colle: No, I'm saying, with my colleague here. I agree with you.

The Vice-Chair (Ms. Soo Wong): Okay. Ms. Damerla, do you have any—

Ms. Dipika Damerla: I just wanted it on the record that I don't see the practical point of it. We should have done it earlier if that's what you wanted to do, Peter. Anyway, it's done, and I just wanted it on the record.

Mr. Peter Shurman: You know what? I'm going to tell you: Don't tell me what we should have done earlier. If you people would actually say, "This is when the budget is going to happen," and we could set reasonable schedules of what we want to do—

Mr. Mike Colle: Well, we can't do that.

Mr. Peter Shurman: Well, no; it has been done in prior years. Now we don't know if it's April 20 or the 27th or May 7 or whatever. The minister is a nice guy, but we have no date.

There has been a fair amount of discussion around the table here on what we should do. Your party opened things up again and asked that we go to Thunder Bay after we had originally proposed to go to Thunder Bay in the first place and it was voted down. So I think a little bit of indulgence is required here. I don't think you and I are disagreeing.

Interjection.

The Vice-Chair (Ms. Soo Wong): No cross-talk. Mr. Prue?

Mr. Michael Prue: I just want to say that the whole process here has been a strange one. I've been on this finance committee for many years. We have always had experts come to us, and I'm glad to see that they're coming again. We have always been informed by the ministry of the approximate date of the budget, of which we were not informed this year. Everything that has happened up until this point has happened because it's circuitous, because we don't know when the date is and we've been adding things on. I think that's part of the problem.

I am more than happy to put this information in, as has been suggested. I know that the previous finance minister—I agree with Mr. Shurman—didn't give a damn and didn't care at all what the finance committee had to say. He ran his own show, listened to his own people and never took any of our considerations into account, but I'm living in hope that this finance minister will be somewhat different.

The Vice-Chair (Ms. Soo Wong): Okay; thank you very much. Everybody had the chance to talk.

So, what I'm hearing—just to recap: Next Thursday morning we'll bring back this report so that everybody has one more look. It will be sent off to the minister. We will wait for the experts coming back to us next Thursday afternoon. Is it clear? Any more discussion? So, can someone move adjournment of this committee?

Ms. Catherine Fife: I'll move adjournment.

The Vice-Chair (Ms. Soo Wong): Thank you, Ms. Fife.

Thank you very much.

The committee adjourned at 0950.

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Mr. Kevin Daniel Flynn (Oakville L)

Vice-Chair / Vice-Présidente

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of Ontario**

Second Session, 40th Parliament

**Assemblée législative
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Deuxième session, 40^e législature

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ET DES AFFAIRES ÉCONOMIQUES

Thursday 11 April 2013

Jeudi 11 avril 2013

The committee met at 0916 in committee room 1, following a closed session.

PRE-BUDGET CONSULTATIONS

The Chair (Mr. Kevin Daniel Flynn): Soo?

Ms. Soo Wong: Okay, thank you very much, Mr. Chair. I want to be on record, Mr. Chair, with respect to, after hearing all the witnesses from all the towns and cities we visited as well as the hearings here in Toronto—to be on record from the backbencher side on what I think the government should be considering as high priorities. I'm looking around and I'm probably the only one who went to all the hearings. So I want to be on record as saying that these are the priority considerations for the minister and our government:

- First, take action to ensure that the overall business environment is favourable and sufficiently competitive to retain and grow manufacturing investment in Ontario;

- Reaffirm the target date for returning to a balanced budget;

- Match any move by the federal government to extend the accelerated capital cost allowance provisions on manufacturing machinery and equipment;

- Maintain existing manufacturing rates;

- Implement the recommendations of the automobile anti-fraud task force;

- Implement pension reform;

- Improve the health of First Nations peoples;

- Create incentives for individuals on assistance to seek employment and allow those on assistance with part-time work to keep more of their earnings;

- Introduce an earnings exemption for social assistance recipients who work so that the 50% clawback does not apply to the first \$200 per month in earnings. We heard that a lot in the hearings;

- Increase the incomes of people receiving social assistance, including a \$100 increase to the basic rate for single adults receiving Ontario Works;

- Commit funding to begin to address the recommendations from Brighter Prospects: Transforming Social Assistance in Ontario;

- Remove the exclusion found in paragraph 4 of subsection 31(1) of the Electronic Commerce Act, 2000, of “Documents, including agreements of purchase and sale, that create or transfer interests in land” from the protections afforded to other forms of e-commerce under

the act. Remember, we heard a lot about electronic signatures;

- Seek ways within the budget process to facilitate greater job growth in the green energy sector to help bring our expertise into export markets;

- Continue to seek opportunities to strengthen Windsor-Essex county as a major transportation infrastructure hub for Ontario and Canada;

- Encourage governments of all levels to maintain infrastructure investments;

- Focus on creating good jobs;

- Implement measures contained in the 2012 Ontario budget to address the underground economy, which include strengthening administrative practices in determining employer-employee relationships and improving government procurement practices to ensure tax compliance;

- Continue advocating for a national housing strategy, including a renewed funding commitment;

- Look into issues surrounding bedbugs and whether public housing providers are prevented by Ontario law from treating an entire building for bedbugs;

- Amend the Ontario building code to remove the prohibition on six-storey wood frame buildings. This would allow the use of wood in mid-rise construction projects. We heard a lot about this in Timmins and Thunder Bay;

- Make the Ring of Fire a significant and immediate priority;

- Increase access to capital for developing knowledge-based companies;

- Continue to fund education, as the knowledge economy requires a more educated workforce. Promote apprenticeships, college and university education, lifelong learning and early literacy, which are going to be extremely important for the future of Ontario;

- Consider augmenting the mining tax—we talked about that; one of the witnesses talked about that;

- Have some kind of conversation and maybe recommend to the federal government—dealing with the home support strategy identified by one of the witnesses. One of the companies, Molly Maid, made a very, very compelling case of, around the world, what they're doing. I think it's something to consider;

- Continue the dialogue on Ontario's skilled labour shortage; and, finally,

- Increase support for public infrastructure needs.

Those are my encouragements in the report from our side. I just wanted to put that on the record. Thank you.

The Chair (Mr. Kevin Daniel Flynn): Mr. Miller and then Mr. Prue.

Mr. Norm Miller: Thank you for that. I feel like I've just had a preview of what the budget's going to be including.

Ms. Soo Wong: No, this is what I heard from the witnesses.

Mr. Norm Miller: Anyway, yes, I feel like the opposition just had a preview of next month's budget. But I do have a question. You did mention the mining tax. What specifically did you say to do with the mining tax?

Ms. Soo Wong: One of the witnesses, Norm, spoke to us, and I asked staff to do further research on it. That's why I said these are my comments with respect to—

Mr. Norm Miller: You mentioned the mining tax. What specifically did you say about the mining tax?

Ms. Soo Wong: We have one of the lowest in all of Canada.

Mr. Norm Miller: So you want to raise the mining tax—

Ms. Soo Wong: Absolutely. That's why I put that in my comments to the government with respect to—because these are my comments, what I heard from all the witnesses and after hearing all their stuff.

Mr. Michael Prue: On a point of order: Is this something that we're going to be voting on, or is this somebody's statement? This is just your statement?

Ms. Soo Wong: This my comment to—

Mr. Michael Prue: All right.

The Chair (Mr. Kevin Daniel Flynn): She just wanted to say—

Ms. Soo Wong: On record.

The Chair (Mr. Kevin Daniel Flynn): She just wanted to read it—

Mr. Michael Prue: All right. Okay.

Ms. Soo Wong: That's all. It's not voting. Just so you get—

Ms. Catherine Fife: Because I'm new, just a point of clarification: Is it standard practice—I mean, this is my first budget. I've been a part of many budget processes, and rarely is one member of a committee just allowed to do their own sort of Reader's Digest or summary of what we've heard. That's why we have this major report, is it not?

The Chair (Mr. Kevin Daniel Flynn): Well, it's anticipated—

Ms. Catherine Fife: Does it have any more weight? I think that's my concern.

The Chair (Mr. Kevin Daniel Flynn): It's anticipated that there will be attachments to the report, that there will be opinions that will come forward from the Progressive Conservative Party—

Ms. Soo Wong: Exactly.

The Chair (Mr. Kevin Daniel Flynn): —and from you and your colleagues as well, Catherine. That was probably a preview of what you might expect from the Liberal Party on this.

Ms. Catherine Fife: Okay. But would it be possible to get it in writing? We provided our—

Ms. Soo Wong: It's in Hansard.

The Chair (Mr. Kevin Daniel Flynn): Yes, it just goes in Hansard. It's recorded. I mean, if you've got anything to add, feel free, if there's something that stuck out in your mind or you thought we should be doing.

Ms. Soo Wong: Mr. Chair, just to Ms. Fife's comment: My understanding is the PC Party will be submitting something in writing—

Ms. Catherine Fife: Dissenting—

Ms. Soo Wong: —tomorrow, if I understand that piece. Your party submitted your motion, and we respect that. I just wanted to make sure, as an observer and as a participant in this committee, and I wanted to be on record that this is what I heard, what the witnesses have said, and all those committee—and I wanted to be on record; that's all.

The Chair (Mr. Kevin Daniel Flynn): Okay, any other comments? Okay. Then let me start the formal process.

Interjections.

The Chair (Mr. Kevin Daniel Flynn): Yes, it just goes on the record; it just goes in Hansard.

Okay. Are we all set to go through the formal part? Now, this is going on the record.

Shall the draft report, as amended, be adopted? All those in favour? Those opposed? That motion is carried.

Shall the final report be translated and printed? Those in favour? Those—

Mr. Norm Miller: Can I just ask: At what point do we let you know that we want to attach a dissenting report as well? Or has Mr. Shurman already done that?

The Clerk of the Committee (Mr. Katch Koch): Yes, he did last—

Mr. Norm Miller: Okay. I just wanted to make sure that whatever needed to be said was said.

The Chair (Mr. Kevin Daniel Flynn): The deadline has been established as Friday at 5 o'clock.

Mr. Norm Miller: Okay, great. Thank you.

The Chair (Mr. Kevin Daniel Flynn): And that's still good with you, Michael?

Mr. Michael Prue: Yes. I don't know that we will have a dissenting report, because the body of what we wanted has been contained within the report—

The Chair (Mr. Kevin Daniel Flynn): Oh, that's good.

Mr. Michael Prue: —but there may be something, and we leave that option open.

The Chair (Mr. Kevin Daniel Flynn): That's good.

Shall the file report be translated and printed? All those in favour? Those opposed? That is carried.

Upon receipt of the printed report, shall the Chair present the committee's report to the House and move the adoption of the recommendations? All those in favour? That is carried as well.

Ms. Fife has a motion.

Ms. Catherine Fife: Mr. Chair, I move that a copy of the final report of the Standing Committee on Finance

and Economic Affairs on pre-budget consultation 2013 be presented to the Minister of Finance prior to the report being tabled in the House.

The Chair (Mr. Kevin Daniel Flynn): Very good, thank you. Any discussion? Seeing none, all those in favour? Those opposed? That motion also carries.

That's it; we're all done. Recess until this afternoon at—2 or 3?

Interjection.

The Chair (Mr. Kevin Daniel Flynn): At 2 o'clock in room 151 for the expert witnesses.

The committee recessed from 0926 to 1404.

UNITED STEELWORKERS

The Chair (Mr. Kevin Daniel Flynn): Let's get going, Erin, so we don't keep you here. You're our first delegation from the expert witnesses today. You have an hour, or we have an hour with you. You have 15 minutes to tell us what you think, and then we're going to split up the remaining 45 minutes amongst the three parties, each party getting 15 minutes.

Having said that, make yourself comfortable, and the floor is all yours.

Mr. Erin Weir: Thanks very much, and I'm very glad you're not asking me to filibuster for the full hour. But I'm happy to give you a bit of an overview of Ontario's economy and also to lay out some modest options to collect the revenue needed to pay for important public services and infrastructure in this province.

You should have in front of you a piece of paper. I'm going to start on the side that is entitled "Working Ontario." You've got a couple of tables at the top that really show what has happened in the province's labour market during the past five years. If I wanted to provide a very optimistic view of the labour market, I'd probably start the tables in 2009 and show all the jobs that have been created since then. If you wanted a very pessimistic view, you might start the table in 2008 and show that almost no jobs have been created. But I think that Peter Shurman said something about this being the no-spin zone, so I started the table in 2007 to provide a fairly accurate picture of things.

It's quite a troubling picture because Ontario's population over the age of 15 has increased by just over 700,000, yet we only have an additional 130,000 full-time jobs. We've got about 89,000 more part-time jobs and 125,000 more Ontarians unemployed. Then the big number is an additional 373,000 Ontarians who are just not in the labour force.

This is the number that really concerns me. I think often when we hear the job numbers, we tend to focus on employment or unemployment. I actually think we need to pay a lot more attention to this measure of people who aren't even counted as being employed or unemployed, people who haven't even made it into the labour force.

Another way of seeing that is the participation rate, which is basically the proportion of people that are either employed or looking for work and therefore counted as

unemployed. That rate has just continued to go down even after the supposed end of the recession. You just see the participation rate continuing to decline year after year.

You might be thinking that this reflects an aging population and that's why we have fewer people in the labour force. That's why, in the second table, I looked at people between the ages of 15 and 64; in other words, excluding senior citizens. There you see a very similar story. Of course, all the numbers are smaller because we're counting fewer people, but you have a population increase in that age range of about 443,000, and pretty close to half of that ends up not being in the labour force. So we observe much the same problem even if we exclude the fact that we might have more retired people in the province.

I find this very concerning, that employment really has not increased very much, unemployment has increased by about the same amount, and then the big number is people who have dropped out of the labour force or haven't made it into the workforce in the first place.

The final table that I've shown you on this page looks at temporary foreign workers. I have to admit that I added this information because it has been such a big news story over the past week. But I think it's interesting to look, in Ontario, at the increase in the number of temporary foreign workers even though our labour market is so weak, even though there hasn't been much of an increase in employment. The biggest number of temporary foreign workers and the largest increase is in Toronto, but you also see fairly significant numbers of temporary foreign workers and fairly significant increases in other major Ontario cities. I've just got them ranked in this table based on the number of temporary foreign workers who are present at the end of 2012 according to Citizenship and Immigration Canada.

One of the most dramatic increases in the proportion of temporary foreign workers actually occurred in Windsor. The number of temporary foreign workers more than doubled between 2011 and 2012. I don't know why that happened, but I think it's something worth investigating.

Even though it's a federal program, I think it's an issue that the government of Ontario should certainly consider raising with the government of Canada, why so many temporary foreign workers are being deployed to the province of Ontario, and in particular to communities in Ontario that already have very high rates of unemployment. I think there's a real question as to whether the Temporary Foreign Worker Program is addressing genuine labour shortages or whether it's undermining job opportunities and wages in Canada.

1410

I would basically submit to this committee that we need to focus on trying to improve employment prospects in this province. That should be a major goal of our budget.

One of the main ways that the Ontario government has tried to do that is by cutting the general corporate tax

rate. If you'll flip this sheet over to the side entitled "Corporate Ontario," I'll just review those figures as well.

We've seen a really dramatic reduction in Ontario's corporate tax rate. The provincial corporate tax rate has gone down from about 15.5% when the Harris government started cutting, to, as we all know, 11.5% today. Those provincial corporate tax cuts have been amplified by federal corporate tax cuts that have occurred during the same time period, so you see that the combined corporate income tax rate has actually fallen from 44.6% to 26.5%. The stated purpose of these corporate tax cuts was to prompt investment and create jobs. I think we've already seen that they haven't been especially effective in creating jobs. What this table also shows is that they haven't been especially effective in promoting investment. If you look at business investment in machinery and equipment as a share of gross domestic product, it falls pretty much in line with the corporate tax rate. I'm not arguing that business investment declined because the corporate tax rate fell; I'm simply suggesting that the corporate tax cuts didn't appear very successful in increasing business investment.

Another way of looking at this picture is to compare the profits that corporations are collecting with the amount that they're reinvesting back into the province. The table at the bottom of the page compares net corporate operating surplus, which is the new language in Statistics Canada's national accounts; it's basically a measure of corporate profits. You see that it did decline in 2009, but it rebounded very quickly, to the point where corporate profits today are much higher than they were before the recession.

In terms of business investment, though, especially outside of the housing sector, it pretty much has recovered to where it was before the recession. It really hasn't kept pace with corporate profits.

The conclusion that I draw from all this is that corporate tax cuts have opened up an awful lot of fiscal space for the government of Ontario to collect some of the revenues that are needed to pay for important infrastructure and public services in the province. I think there's a lot of fiscal space that has been opened up. I'm going to try to be very cautious and very modest in just proposing the low-hanging fruit that's available for the government of Ontario to pick up.

On the corporate tax rate itself, the Ontario government has been very concerned to stay competitive with other provinces, to match the corporate tax rates in place in other provinces. We've actually seen recently that several provinces have been increasing their corporate tax rates. New Brunswick's recent budget went from 10% up to 12%. British Columbia's recent budget went from 10% to 11%. Of course, the New Democratic Party is poised to win the upcoming election in BC on a platform of raising that corporate tax rate up to 12%. We're now in a situation where Alberta is the only province with a corporate tax rate of 10%. Every other Canadian province outside of Ontario has a corporate tax rate of

12%, or higher, in a few cases. I think there's a really straightforward case for Ontario to simply round up its general corporate tax rate from 11.5% to 12% to get into line with other Canadian provinces and avoid a race to the bottom where provinces try to cut corporate taxes to compete with each other. It seems that almost every other province has settled out at 12%, and I think it would make sense for Ontario to stand with other Canadian provinces in at least maintaining that as a minimum.

Another thing that would make a great deal of sense would be to step up compliance and enforcement efforts to ensure that existing tax rates are actually paid. This is something recommended by the Drummond commission. It's something that was talked about in the recent federal budget, but I think it's something that the Ontario government should really be pushing for with Ottawa, to make sure that companies actually pay their taxes and that tax evasion doesn't deprive the provincial treasury of needed revenue.

Another thing that was highlighted in the Drummond report was reducing business tax expenditures. It's been suggested that this is a very tough nut to crack, because the biggest, most expensive business tax expenditure is, of course, the small business deduction, the lower corporate income tax rate for small businesses, and that's something that no political party is particularly keen to undo. But I would suggest that there's space to make sure that that deduction is actually focused on small businesses. Currently in Ontario, it's completely open-ended. Any Canadian-controlled private corporation gets the small business rate on their first half million dollars of profits, no matter how large the enterprise, no matter how large the profits.

Now, what every other province and the federal government does about this is they phase out the small business deduction when a company has assets between \$10 million and \$15 million. Drummond proposed that Ontario should adopt that same policy, which I think would be eminently sensible.

The other thing, of course, that could be done is to go back to the system that Ontario had before the 2009 budget, which was a surtax between profits of half a million and one and a half million that essentially removed the benefit of the small business deduction for corporations that actually had profits well in excess of that half-a-million-dollar threshold.

The problem, though, is the government of Ontario took away that small business surtax without replacing it with anything, so I think the two options would be to reinstate that surtax or do what Drummond says and phase out the small business deduction when a company's assets are above \$10 million.

Now, another proposal in the same vein of just making sure that benefits for small business are focused on genuinely small enterprises has to do with the employer health tax. Currently, there's an exemption on the first \$400,000 of payroll, and this is one of these exemptions that's just provided to every single employer. I think it would be quite reasonable to phase it out for employers

that are very large, so it's been proposed that, you know, for payrolls above \$5 million, we could have a removal of this exemption, which I think would be quite an easy, common-sense proposal to collect a little bit more revenue from very large, profitable enterprises without removing the relief for genuinely small businesses.

Now, a final proposal to collect some more revenue would be—

The Chair (Mr. Kevin Daniel Flynn): You've got about three minutes, Erin, just so you know.

Mr. Erin Weir: Okay, thanks very much. I'll probably finish ahead of time, but I appreciate the warning.

A final proposal here would be—with the harmonized sales tax, when it was brought in in the 2009 budget, part of the rationale was to provide input tax credits to businesses, but following what Quebec did when it introduced the value-added tax, the government of Ontario restricted some of those input tax credits for the largest corporations. So input tax credits for things like entertainment expenses or energy that's not actually used in the production process were not eligible for these input tax credits.

What Quebec ended up doing was simply making those restrictions permanent, continuing to collect sales tax on those types of expenditures by very large corporations. I would submit that given that Ontario already has these restrictions in place and that we need the money, it would make a lot of sense to make those HST input tax credit restrictions permanent. That would collect about \$1.3 billion of additional revenue for the Ontario treasury.

Essentially, what I've told you is that Ontario has some really significant problems in its labour market—not very many jobs have been created over the past five years. We've seen a troubling increase in unemployment and a far larger increase in the number of people who aren't in the labour market at all. I think the focus of Ontario's upcoming budget needs to be to try to address that social deficit, to try to create jobs for Ontarians, and if we can do that successfully, that will actually provide the revenues needed to address the fiscal deficit as well.

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The strategy of trying to support Ontario's economy and create jobs through corporate tax cuts has failed, but what it has done is open up an awful lot of fiscal space for the government of Ontario to recoup some revenue, and I've talked about some very straightforward ways of doing that. There are a number of ways in which the government of Ontario could collect a bit more revenue from the corporate sector to finance public services and infrastructure that are seriously needed in this province.

Thanks very much for your time, and I'd be happy to answer some questions.

The Chair (Mr. Kevin Daniel Flynn): Great. Thank you very much, Erin. The first questions of the afternoon go to the Progressive Conservative Party. Peter?

Mr. Peter Shurman: Well, I guess there's just one person here from the Progressive Conservative Party today, so it will be me.

Erin, thank you very much. I appreciated hearing your presentation. We, as you know, have heard from your organization in previous hearings in another city, so I'll dwell on the kind of material that you've—the macro material, I guess we'd call it—presented. Tell me, first of all: In your view, how important is it to balance the budget in Ontario?

Mr. Erin Weir: I think it's important to balance the budget, but I don't think that the priority should be to cut back needed government expenditures to balance the budget as quickly as possible. We're seeing the failure of that kind of austerity strategy in Europe.

I think the real way to balance the budget over the long run is to get Ontarians back to work, get people paying taxes, so that we have enough revenues to pay for these services and infrastructure that we need.

On this question of balancing the budget, I would go back to my last appearance before this committee in 2010, where I suggested that the deficit was probably a less urgent problem than was projected by budget documents at that time. I think what we've seen since then is that in every budget and quarterly financial update, the deficit has turned out to be smaller than projected.

Mr. Peter Shurman: That's an interesting answer. Let me jump off that by bringing into focus the fact that, in the past year, with what I think are arguably the lowest interest rates certainly in my lifetime—and I'm in my 60s—and probably we'll ever see, we're paying about \$11 billion in interest this year. Given that the interest rates can only go up and that we are accruing deficits, unless we hear otherwise, we have to assume that in the year ended March 31, \$12 billion and whatever the finance minister tables at budget time in a couple of weeks will be added to that, and the provincial debt will be somewhere in excess of \$250 billion.

Having said that—and our party is fairly much on record—I think everybody is—to the effect that if interest or debt servicing were a ministry, it would be the third largest ministry of the government after health and education, in that order. That precludes \$11 billion and rising in services that the government could provide or in stimulus that it could provide.

I wanted to take you up—after you've answered this question—on what you just said in terms of the deficit going forward, but I'd like to hear your answer on that.

Mr. Erin Weir: Sure. It's interesting, because this same question came up when I appeared before this committee in 2010. At that time, I made the point that one of the reasons to not panic about the deficit was that interest rates were at a historic low and that debt-servicing costs were likely to be much smaller than they have been during previous times when the province was in deficit and interest rates were much higher. The pushback I got on that observation from your party was that interest rates were likely to increase.

Mr. Peter Shurman: Oh, but they are, at some point. We have to agree on that.

Mr. Erin Weir: At some point, I agree, but I do think it's noteworthy that here we are three years later and interest rates really haven't increased.

Having said that, interest rates will increase at some point, and that's one of the reasons why I agree that we do need to balance the budget. But I don't see this as something to be panicked about—that interest rates are going to shoot up tomorrow. Part of the reason I say that is that the last time Ontario was in a recession, it was partly because of high interest rates, because the Bank of Canada had deliberately driven up interest rates to fight inflation and so the province had to run these deficits at very high interest rates. Now we're in a situation where the Bank of Canada is not likely to raise interest rates until the economy recovers, and if the economy recovers, that itself will improve the province's fiscal situation and help balance the budget. I suppose that's one of the reasons I'm a little bit less concerned about high interest rates.

Mr. Peter Shurman: Well, that's fine. I, however, am very concerned, and it's not because I'm a Progressive Conservative; it's because I'm an Ontarian. I worry about the fact that everything from an individual's mortgage—many of which have been taken out because, “Hey, if I can pay 3%, I'm going to buy that larger house that I wanted”—up to corporate investment, which you've addressed and we should be talking about in a couple of minutes—all that money that's sitting there that nobody's spending.

We are sitting in a province that has 40% of the Canadian population in it. As you've pointed out and indicated by your tables, a far larger number of unemployed people—and I'm not putting words in your mouth; these are my words—than should be are unemployed, and we're being beaten, at least in percentage terms, by our fellow provinces in terms of what has happened since 2008-09, where, without any argumentation, the economy bottomed out.

I'm interested in your take on why we've gotten in that situation, why a province with this potential and with this proven track record pre-2008 has gotten to a point where we don't seem to be able to find employment for our people, where our unemployment rate—and your tables attest to this—is, I think, probably the second-highest in Canada, after PEI. Why are we in this situation, and why can't we get ourselves out of it?

Mr. Erin Weir: I think you make an excellent point about mortgages and, while I may have come across as relatively sanguine about the government debt and deficit, I think there is a very urgent concern about household debt being at record levels. I think that's one of the reasons why we don't want to try to put more pressure on working Ontarians through austerity policies, and that we should be looking to raise needed revenue from the corporate sector instead.

Now, in terms of the question about how Ontario got into this situation: Of course, a lot of the problem was the global financial crisis, but I think added to that was a failed strategy of corporate tax cuts, where the focus has really been on trying to cut the corporate tax rate and hope that companies turn around and reinvest the money in Ontario, and that that creates jobs. It just hasn't

happened. It just hasn't worked, and what I'd like to see is a much more targeted approach to job creation where—

Mr. Peter Shurman: I don't want to interrupt you, but the companies have made the money. They've got it. In one of the tables you presented, you show literally tens of billions of dollars sitting there. One of the questions—I made a little jot while you were talking—that I wanted to ask you, and it's a good point to interject so that you can amplify in your answer, is: How do you part those companies from their money? Because if you've got \$60 billion sitting there in bank accounts or investment vehicles of some type, what you're looking at is the stimulus that would be provided if those companies would spend it. What is precluding them from spending it in Ontario? Something is stopping them.

Mr. Erin Weir: Well, for one thing, demand is very much depressed. As you mentioned, we have very high unemployment, so that often means that companies already have excess capacity. Corporate Ontario won't invest in building a lot of new capacity as long as it has existing capacity sitting idle, so I think we do need to try to stimulate the economy rather than cutting back. One of the problems with austerity is, it actually further reduces demand and further reduces the incentive to invest.

I think there has also been a strategy, not just in corporate Ontario but in corporate Canada, of trying to build up these cash reserves. That's a trend that has gone on for a couple of decades now. It spans governments of different political stripes; it spans the different provinces. It may be a strategy that makes sense from the point of view of those corporations, but I really don't see the public policy rationale to keep giving companies money so that they can stockpile it. I think one of the ways that we put that money into motion is actually having the government of Ontario collect a bit more of it through the tax system and invest it directly in needed services and infrastructure.

Mr. Peter Shurman: This may be counted as an aside, but I wouldn't give this government of Ontario another dime, because they don't seem to be able to manage it. But that's my opinion, as you put forward your opinion.

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What I'm interested in, however, is that there are a variety of things happening right now—and I'm looking at some of my notes—one of them being taxation. You talked about taxation on corporations, and I respect the fact that you have an opinion and that you've put it forward.

There's also the issue of taxes on individuals. Do you feel that there is any headroom for additional taxes on individuals? To that end, how do you feel about what has been touted lately as—these are the words—“revenue tools” to build infrastructure and transit—a rose by any other name is still a rose—which is taxes? How do you feel about people's individual ability to pay more?

Mr. Erin Weir: Well, I suppose the devil is in the details. We would need to know what these proposed

revenue tools are to really be able to assess them properly—

Mr. Peter Shurman: They've been very fairly disclosed, Erin. We're talking about tolls; we're talking about taxes on parking your car; we're talking about the potential for an increase in the HST, or maybe another name for it, but a regional sales tax of 1%, if not a province-wide sales tax of 1%; and other things that are a little more arcane, but those are the main things.

Mr. Erin Weir: The main theme of my presentation is really that households in Ontario are already under a great deal of stress, and that arises from the weak job market. On the other hand, we have corporate Ontario doing extremely well, raking in these record profits and not investing very much. So it seems to me that the first place to start is to close some of these corporate tax loopholes to collect a bit more money from the corporate sector. That's where I'd be inclined to go in terms of new revenues.

Mr. Peter Shurman: Okay. Let's expand a little bit on some of the things you've said, or let's actually, first of all, bring in something that you haven't really alluded to: energy.

Energy may be called energy; it may be your electricity bill. You may not want, or one may not want, to consider it a tax. But as of this week we are, if not at then certainly approaching, the highest energy regime in North America because of whatever the government of the day has done with regard to how energy is going to run. How does that impact our ability to grow, if families—and families are one aspect of it—and corporate Ontario are being asked to pay these—my words—excessive rates?

Mr. Erin Weir: Certainly, energy is a major input to production. Ontario has a very proud history of using the provincial electric utility as a tool of economic development. I would say that the attempted privatization of Ontario hydro has turned out to be a disaster. I think one of the main problems that we're seeing right now is that the government of Ontario has gone down the path of trying to develop more green energy, which is a very good thing. It's something that's needed to put our economy on a more sustainable path. It's important in terms of creating green jobs. But the way the Ontario government has proceeded is to say that all of this green energy needs to be done by private operators, and has, in some cases, paid them extremely high premiums to do that.

I think it would make a lot of sense to try to develop more green power through the public system, through Ontario Power Generation. I think the direction we should try to go in is to use the tools we already have within the crown sector to build an electricity system that really serves the people of Ontario.

Mr. Peter Shurman: Well, since you said that, I'll say this: I think it would have been nice if, when we were dealing with the Green Energy Act, we had simply turned our faces to the east and said, "Quebec, instead of selling all that excess power to New England at four cents a kilowatt hour for 25 years, why don't you sell it to us?"

But we didn't bother to do that, so here we are, paying 12-point-whatever per kilowatt hour on-peak so that we can create renewables that are then handed away, if not paid to be taken away, every weekend. That's basically where we are, and that's an unfortunate divergence of opinions between the Liberal government of the day, yourself, my party and, I guess, the general population that has to pay the bill.

Let's move on to another subject. I'm interested in getting you to expand on what you think has happened to Ontario since the recessionary period of 2008-09. That was a key element. One of the things that particularly former Premier McGuinty used to talk about is, we've come out of this recession, there's a recovery period, and now we're going to get into the recovery period, and he even went as far as to say we're in recovery. I think we'd all like to feel we're in recovery, and at best we would probably have to conclude from your figures that this recovery is fairly weak. What do you think has happened here in Ontario to make us different from our neighbours in Manitoba or our neighbours in British Columbia?

The Chair (Mr. Kevin Daniel Flynn): It will have to be a short answer, Erin. We've got about a minute left.

Mr. Erin Weir: I think that we've seen a somewhat weak recovery nationally, but certainly Ontario has underperformed other provinces. I think that's partly because the manufacturing crisis has hit particularly hard in Ontario. It's partly because electricity costs are much higher in Ontario than Manitoba or Quebec, for example. I think there are many different factors, and I probably don't have time to go through all of them appropriately.

The Chair (Mr. Kevin Daniel Flynn): Well, you probably hit on—

Mr. Peter Shurman: Thank you very much. Sorry, I don't mean to interrupt, Chair. Thank you very much. You've been very helpful.

Mr. Erin Weir: I appreciate that.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Erin. Let me reset the timer. Michael, Catherine: Who's going to kick it off?

Ms. Catherine Fife: I will.

The Chair (Mr. Kevin Daniel Flynn): Go ahead.

Ms. Catherine Fife: Thanks very much, Erin. I just want to thank you in particular for sharing the temporary foreign workers' data. It's particularly timely, and I have to tell you I'm completely surprised that we have almost 1,800 foreign temporary workers in Kitchener alone, and the increase. This is certainly good information to share. It's now on our radar and I certainly will be bringing it up in the House.

What I really want to drill down a little bit deeper on is in the second chart on page 1, "Not in Labour Force," the increase to 196,000—my question to you is: Do we have a clear sense of who these people are? Because if we're trying to create jobs, we have to know who they are. Do you have any sense of that?

Mr. Erin Weir: Unfortunately, we don't, and that's part of the reason I try to emphasize that figure, because

it is a bit of a mystery and I think it is something that warrants further study.

To some extent, there are always going to be people outside of the labour force: parents who stay at home, people who are pursuing post-secondary studies, people who have perhaps retired or who retired early—in the case of this table, which is up to age 64. But it does seem very surprising that almost half of the increase in Ontario's population between the ages of 15 and 64 has gone into this category of not being in the labour force. My sense is that a lot of Ontarians dropped out of the workforce during the recession and never got back in. Of course, if they're not actively looking for work, they're not counted as being unemployed.

I think there's also a huge problem of younger people being unable to get into the workforce in the first place and not necessarily being counted as unemployed, but just not being in the labour force.

Ms. Catherine Fife: Okay. A couple of the questions, actually, have already been asked by my colleague from the PC Party, and it's actually encouraging to hear that they share our concern over the dead money that's in the corporate sector. I think it is really important for us to have a better understanding of why that investment is not happening. I think that you've made a strong case for the austerity agenda as being completely counterproductive to economic stimulation.

Thanks very much for the suggestions—good feedback.

Mr. Michael Prue: A number of questions: Let's start off. First of all, you gave four recommendations at the end. One was to raise the corporate tax rate from 11.5% to 12%. How much money would that bring in?

Mr. Erin Weir: That certainly depends on corporate profitability. Based on the last quarterly update from the Ministry of Finance, corporate income tax revenues were about \$11.8 billion. Now, it's not quite as simple as saying that 11.5% raises \$11.8 billion, because some of that \$11.8 billion comes from businesses that are paying the small business corporate tax rate, but I think we're clearly talking about hundreds of millions of dollars. Not quite half a billion dollars, but to give you an order of magnitude, it would be fairly significant.

Mr. Michael Prue: So that's half a billion dollars by raising it a half point to make it equal with the other provinces. We wouldn't have the lowest anymore, but we would be tied for the lowest.

Mr. Erin Weir: Alberta would still have the lowest at 10%, but with the exception of Alberta, we would be tied with most other provinces at 12%. I suppose the question is really whether Ontario should engage in this race to the bottom with Alberta or whether we should try to uphold a minimum with other provinces.

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Mr. Michael Prue: Okay, but Alberta is facing tough economic times themselves. The Premier is in huge trouble, from what I read, and Albertans are very unhappy with their direction. Is that—

Mr. Erin Weir: I think that's true, and I actually think part of the rationale for Ontario rounding up its corporate

tax rate to 12% would be to give Alberta some leeway to do the same thing. I think if all other provinces are at 12%, that would enable Alberta to move to that rate as well.

Mr. Michael Prue: Okay. You also talked about having people pay their taxes. We've been reading in the last couple of days in the paper and seeing on television all this money offshore in the Cook Islands and Lichtenstein and some other places, but it seems to me that the federal government has been spectacularly inept at getting their money back. It's all well and good to talk about this, but what are the prospects of getting the money back?

Mr. Erin Weir: While the recent federal budget said many of the right things about stepping up enforcement to get that money back, on the other hand, the federal budget actually cut funding to the Canada Revenue Agency. So it's not clear how serious Ottawa is about really improving tax compliance, and that's one of the reasons I'd like to see the Ontario government really push the federal government on this file.

Mr. Michael Prue: Okay, but the Ontario government, a few years ago, much to my chagrin—and I voted against it—decided to send all of our tax people out of Ontario and to the federal government, so we don't really have that kind of mechanism here anymore to do it ourselves. What chance is it, given they're cutting staff and saying the right words but with the wrong actions, that we can ever expect to see any money paid from these offshore accounts?

Mr. Erin Weir: You're absolutely correct that Ontario doesn't have the capacity any longer to collect its own taxes, so it really is a matter of trying to work with the federal government. I think the prospects are not great, given everything that we've discussed, but I think the province should be holding the federal government's feet to the fire on this question. If the appropriate steps are taken, I think it is possible to collect more revenue, both for the federal treasury and for the people of Ontario.

Mr. Michael Prue: It's been said that this is in the billions and billions of dollars that are offshore, if we could ever collect them. Is that a fair amount? They've said trillions of dollars worldwide, but billions of dollars in terms of Canada alone.

Mr. Erin Weir: I think that the order of magnitude certainly is in the billions of dollars. Now, to think that we're going to be able to collect tax on it all at once is probably overly optimistic, but there's certainly a lot of additional revenue that could be collected if we were successful in pursuing those offshore funds.

Mr. Michael Prue: You talked about the employer health tax. If we did exactly as you said and took the employer health tax off for those corporations—what was the figure you used?

Mr. Erin Weir: Payrolls of about \$5 million.

Mr. Michael Prue: Okay, over \$5 million. How much would that bring in?

Mr. Erin Weir: That would bring in about \$90 million for the province of Ontario.

Mr. Michael Prue: That's not a huge amount, but it's probably welcomed.

Mr. Erin Weir: I think it's welcomed. As I said during my presentation, I've really focused on the low-hanging fruit, things that I think would be very easy for the government of Ontario to do in this upcoming budget.

Mr. Michael Prue: The last one you talked about was the input tax credits. If we recommended to the minister that he do exactly what you said, how much would that bring in?

Mr. Erin Weir: That's a much more significant proposal. That would retain about \$1.3 billion of revenue for the people of Ontario. I would stress that this is something that Quebec has already done, and these are restrictions that are currently in place here in Ontario. So it's really just a matter of leaving things as they are.

Mr. Michael Prue: We're looking here at securing an additional \$2 billion, just from those four things.

Mr. Erin Weir: Yes, that's about right.

Mr. Michael Prue: I also read that provinces like Quebec will be out of deficit far earlier than us. Is that because they've done some of these things or because their manufacturers are rebounding better? Why are they getting out of deficit before us?

Mr. Erin Weir: It's a combination of different factors in different jurisdictions, but certainly Quebec has a much stronger tax system. Quebec certainly has made social and political choices to collect a lot more revenue from its population in order to fund additional public services. Also, some provinces have experienced stronger economic recoveries than Ontario.

Mr. Michael Prue: I'm looking at the temporary foreign workers, and although it's disturbing, this would make up about one tenth of 1% of the working population in Ontario, unless my math is wrong.

Mr. Erin Weir: Your math, I believe, is correct in terms of the total number of temporary foreign workers and the total number of Canadian residents in Ontario, but I might look at it in a slightly different way. Since 2008, the increase in employment in Ontario has been less than 120,000. Meanwhile we've added about 30,000 temporary foreign workers in the province. So, from that vantage point, about a quarter of all the new jobs created in Ontario have been filled by temporary foreign workers, which is quite significant.

Mr. Michael Prue: Okay. So when the government stands up and says, "We've created 300,000 jobs," a good percentage of those jobs are going to people who don't live here or may be here temporarily.

Mr. Erin Weir: I think when the government says that, its starting point is the very bottom of the recession in 2009, which is how it gets to that larger number.

Mr. Michael Prue: Oh, okay.

Mr. Erin Weir: But yes, certainly some of the employment created in the province is represented by temporary foreign workers.

Mr. Michael Prue: Okay. You also talked about—and I want to get back to this. Do I have time?

The Chair (Mr. Kevin Daniel Flynn): Oh, yes. You've got just over four minutes.

Mr. Michael Prue: Oh, my goodness, lots. The net corporate operating surplus has gone up remarkably, even if you take out 2009 and 2010 where it was getting back to itself. In 2011, it went up hugely. We're seeing this, but we're also seeing what seems to be a structural weakness in things like our stock market. The stock market in Canada has not rebounded at all in comparison to the United States. I know at the start of the recession, we were at least 1,000 points on the Toronto Stock Exchange higher than the Dow Jones Industrial Average. Now they're 2,300 points higher than us. They have taken 3,300 points—and it seems to be almost every night when I go home and look at the stock market stuff, they seem to be doing far better than us. Can you tell me why that might be? I just don't understand it because they seem to have even more problems than us.

Mr. Erin Weir: It's a very interesting question. I think at least part of the answer is that the American stock market doesn't just reflect the American economy but a lot of multinational corporations that are collecting profits all around the world. So, to some extent, indexes in the American stock market reflect the worldwide profitability of corporations. That would be one important difference.

Mr. Michael Prue: Okay, and ours is more regional. The Toronto Stock Exchange is more regional.

Mr. Erin Weir: It is, and it's more focused on just a few industries.

Mr. Michael Prue: Like mining and stuff.

Mr. Erin Weir: Yes, resource extraction, financial services. The Toronto Stock Exchange has been quite volatile as a result of that, and although commodity prices are still quite high by historic standards, they have come off a bit, and I think that's a major part of the reason that the Toronto stock market has been a bit weaker.

Mr. Michael Prue: Now, if we were to suddenly find ourselves in possession of billions more in tax revenue, you have suggested that paying off the debt would not be a huge priority given that we're only paying about 3% or so interest. Where would you spend the money?

Mr. Erin Weir: I should say that I do think that it is important to balance the budget. I just don't think it's an urgent priority to do it right away. I think it's entirely reasonable to do it—

Mr. Michael Prue: I didn't phrase that right. Okay.

Mr. Erin Weir: —to do it over a period of years, but I think there's much-needed investment in infrastructure. In particular, I think a lot of investment will be required to put Ontario's economy on a more sustainable path, to reduce carbon emissions. We're going to need a lot more transit, a lot more renewable power. We're going to need to conserve energy much more effectively. So I'd like to see public investments in those areas. I'd also like to see other public investments that could help to create jobs.

One of the ways of making up for this lack of private investment is for the province to directly invest in

important parts of the economy, yes. Statistics Canada has concluded that about half of the overall increase in private sector productivity since the 1960s has actually come from increases in public infrastructure. I think there are many good uses for those funds.

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Mr. Michael Prue: Any other questions?

The Chair (Mr. Kevin Daniel Flynn): You're down to less than a minute anyway, Michael.

Mr. Michael Prue: Oh, down to less than a minute. Then I'll just let it go. Thank you so much—no. Is there anything else you want to tell us? I'll let you use your minute if you need it.

Mr. Erin Weir: Oh, my goodness: a very generous offer, but I think I'll pass and just open it up for questions.

The Chair (Mr. Kevin Daniel Flynn): That minute is 30 seconds now.

Let's move right to the government side. Who's starting? Dipika. Okay, it's all yours.

Ms. Dipika Damerla: Thanks, Chair, and thank you, Erin. I know it's not easy being in your position while we all sit here and shoot questions at you. I just want to congratulate you on a great presentation.

I'd like to begin with the debt issue, because I heard you just tell Michael that you agree that the debt ought to be paid down, but not right away. I'm curious. What would your ideal time horizon be to pay it down—let me rephrase that. The government is committed to balancing the books—actually, not balancing the books but getting rid of the annual fiscal deficit, down to zero by 2017-18, and that's what the federal government wants to do as well. I'm curious to know what your timetable would look like.

Mr. Erin Weir: Yes. I think the federal government is trying to do it a year sooner because they've got an election coming up and a bit of a political target associated with that, but I actually think that trying to balance the budget over that time frame is approximately correct. I don't think the sky would fall if it didn't get balanced until 2018-19, for example, but I do think that's approximately the right timeline on which to balance the budget.

To me, the real debate is how to balance it, and I think that balancing it through austerity and cutbacks is very much the wrong approach, because it will impose a burden on working Ontarians and also because it might not work. As we've seen in Europe, when you cut back, that weakens the economy, which, in turn, weakens government revenues. So I think a far better road to balancing the budget is to try to create jobs to try to strengthen Ontario's economy, and balance the budget through improved revenues.

Ms. Dipika Damerla: What I'm hearing, in simpler English, is that it's good to borrow and spend in the hope that that spending will mean more taxes for the government, so really it's just borrowing. It doesn't really fix the fundamental problem. It's no different from my home, where I can borrow on my credit card, saying, "Interest rates are low so it's okay to borrow," but it

doesn't fix the issue that either I'm spending too much or I'm not working hard enough; one of the two.

I'm just curious, because the idea that we've got to stimulate—and I'm not saying that there isn't a role for that, but it is a short-term tool, not, I think, something that can be used indefinitely, because essentially nobody, individuals or societies, can forever spend more than they earn. Would you agree with that?

Mr. Erin Weir: As a matter of arithmetic, it is actually possible to continue running deficits forever, as long as they're small enough that the ratio of debt to gross domestic product goes down. As long as the economy is growing fast enough, it's technically possible, as a matter of economics, to continue running deficits.

I'm not even proposing that. I'm actually agreeing with you that Ontario should be trying to balance the budget over the coming years. I'm just suggesting that austerity is the wrong way of doing that and that we would be more successful in doing that by trying to promote our economy and also by fixing some problems in our business tax system to collect more revenue, as I've outlined.

Ms. Dipika Damerla: Actually, I happen to agree with you that definitely, if we have a particular tax rate, governments should do a good job on compliance, so I have no argument with you on that.

I did want to come to the issue of foreign direct investment, because earlier I heard you try to draw some kind of a connection between Ontario's low tax rates and our inability to attract investment. I understand that there's been a new report by, I believe, the Financial Times that shows that Ontario is the jurisdiction that has the third-highest foreign direct investment in North America, just behind New York and California—and let me just finish. On a per capita basis, because we're only 13 million, that actually probably puts us in the top. So clearly something is working if, in North America, on a per capita basis, we are attracting more foreign direct investment than any other jurisdiction, despite the hardship we are going through. I just wanted your comment on that.

Mr. Erin Weir: I'm not certain that it's true that Ontario is attracting more foreign direct investment on a per capita basis than any other jurisdiction; I haven't looked at those numbers. But that's an empirical question—

Ms. Dipika Damerla: Sorry, let me just—I'm not saying it's empirical, because I'm saying I'm quoting from a report.

Mr. Erin Weir: Right. I think what the report showed was that in absolute terms, Ontario was in third place. I think the reason for that is partly that Ontario is a large jurisdiction, so all of the numbers are going to be fairly large in absolute terms. Also, it speaks to the fact that the United States is suffering from a very severe recession. So to say that Ontario—

Ms. Dipika Damerla: Or does it speak to the fact that Ontario is doing well, relatively speaking?

Ms. Catherine Fife: Why can't you just let him answer the question?

The Chair (Mr. Kevin Daniel Flynn): I don't need any help—

Mr. Erin Weir: I would agree that Ontario—

The Chair (Mr. Kevin Daniel Flynn): Let's give Erin the floor. I don't need comments from this side. Dipika, would you let him answer?

Ms. Dipika Damerla: Fair enough.

Mr. Erin Weir: I would agree that Ontario is doing better, or less badly, than many American states, depending on how you choose to characterize that. But I'm not sure that simply being in less of a funk than a lot of the Rust Belt states is where we want the province to be, either.

Ms. Dipika Damerla: I take your point, but there's a saying: "Don't compare me to perfection; compare me to the alternative." It's always comparing apples to apples. We're all facing the same economic environment, whether it's the Rust Belt states or our neighbours to the south in the US that are closer to us. Given the same circumstances, I think Ontario, and this government's policies—I just want to draw out that it's not all gloom and doom, and I'm just trying to get your sense. I get a sense that you agree with some things but not everything.

Mr. Erin Weir: Sure. I would just note, though, that by that metric, one could conclude that New York and California are actually better in terms of attracting foreign direct investment, and of course, they have much higher corporate income tax rates than Ontario.

So I really do think that the figures you've alluded to mostly reflect the different sizes of the jurisdictions as opposed to how well they're doing in a proportional sense.

Ms. Dipika Damerla: So you're really saying that the US states are larger than Ontario, and the only reason Ontario has such a high FDI, foreign direct investment, is because—I know that in terms of population, which is the real determinant, if our GDP far exceeds our population size, it's because we're doing extremely well. But if you were to just go by population, Ontario is by no measure one of the largest jurisdictions in North America. I'm not sure why you keep saying that the fact that we are third-largest isn't an indicator of the fact that something's working, and something's working well, and on balance our economic climate is attracting investment.

Mr. Erin Weir: I would agree that Ontario is doing less badly than many American states. I do think, though, probably a better comparison to make would be to look at the numbers on a per capita basis. I think you yourself alluded to that possibility, and I think that that might be a more instructive comparison than just looking at the absolute numbers. With the absolute numbers, what you find is that the biggest jurisdictions get the most foreign investment, and that's not surprising.

Ms. Dipika Damerla: I just have one more question; I just wanted your thoughts. I don't know if you've seen the Mowat report that just came out. It talked about the fact that Ontario pays into the federation about \$11 billion more than it gets back—disproportionately—so there's a fiscal imbalance there between the federal

government and Ontario. If we did not have that, we wouldn't have a deficit right now. I bring that up because I think there was some conversation as to how well Quebec was doing, relative to Ontario, in terms of managing its deficit. But a big part of Quebec doing well has to do with the fact that they are a net receiver from the federation. Ontario, despite being hardest hit, despite having the highest unemployment rate in Canada, continues to be a net contributor to the federation. I just wanted your thoughts on that and whether you think the federal government is being fair to Ontario.

Mr. Erin Weir: When you say that Ontario wouldn't have a deficit without that imbalance, that's true only if you assume that the federal government were to get rid of redistributive programs, cuts its taxes, and then the Ontario government were to increase provincial taxes by an equivalent amount. There's a lot of ifs in that sentence.

I would note that previously when I've appeared before this committee, we were talking about a \$20-billion gap, so certainly it has decreased. We have seen federal programs respond to the fact that Ontario is weaker on a relative basis.

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The other figure that I think is quite interesting is to look not just at the fiscal relationship between Ontario and the other provinces, but to look at the trade relationship. When we look at the flow of imports and exports between Ontario and other provinces, Ontario actually runs a trade surplus of more than \$20 billion a year with the rest of Canada. So Ontario, I would say, actually does fairly well out of the Canadian federation. That's not to say that there might not be room for improvement in certain programs, but the Ontario economy actually takes in more money through its trading relationship with other provinces than is potentially lost through fiscal transfers.

Ms. Dipika Damerla: Did you want to go?

Ms. Soo Wong: How much time do we have, Mr. Chair?

The Chair (Mr. Kevin Daniel Flynn): Just under four minutes.

Ms. Soo Wong: Good. Okay. I have a couple of questions for you.

Thank you very much for your presentation this afternoon. I noticed you made some comments with respect to the youth unemployment rate. From your experience and your expertise in the area of economics and the economic piece, can you share with the committee some of the programs and strategies that the government should consider? Because the Premier, the finance minister and others from cabinet have expressed concern about youth unemployment. Is there any type of evidence, best practices or programs that we should be advocating for?

Mr. Erin Weir: Well, I think one of the things that we need to do is to get a better handle on what's going on with this large and growing number of Ontarians that aren't in the labour market. My suspicion is that many of them are younger people who just haven't been able to get a foot in the door. I think there's a major role for the

government in investing in training and trying to provide career opportunities for younger people, so I think that this should be a major priority area.

Now, of course, we saw in the last federal budget a change in its approach to training, a removal of money from the provinces to be replaced by a training grant that is to be matched by private employers and by the province. Hopefully the province can play some role in the design of that new program, and I think it's imperative to ensure that employers can't just claim \$5,000 from Ottawa and \$5,000 from the province for training that they would have done anyway. It's very important to make sure that this program is incremental and that it's structured in such a way that it actually incentivizes new training, particularly for young people.

Ms. Soo Wong: We have heard at different hearings in locations across Ontario that there is a mismatch: There are jobs out there, but there are no skilled, trained workers. I want to hear your opinion and your comments. How do we address this gap? Because there are jobs, but we don't have skilled people. What are some of the suggestions?

Mr. Erin Weir: Just to put that in perspective, Statistics Canada reports that Ontario has about eight unemployed workers for every job vacancy, so there may be some vacancies out there, but that doesn't necessarily indicate a skills shortage. At any point in time, some jobs will be vacant because of turnover. The job vacancy rate is actually down around 1%, so I would question the notion of skills shortages. I know there's been a lot of complaints from the business sector, but if you look at the official statistics, they don't seem to support that story. Actually, Human Resources and Skills Development Canada recently concluded that it doesn't expect a major skills imbalance, even over the coming decade.

I think it makes sense to invest in training to ensure that Ontarians have relevant skills, but I'd also question the premise that there is this severe skills shortage to begin with.

Ms. Soo Wong: My last question to you is that I know our government has done a lot of work with regard to taxation and with regard to the film industry. Now, I want your comments, because our current taxation in support of the film industry has helped that industry. You made comments about the fact that we have one of the lowest corporate tax rates across Canada. How are we going to address—there are so many different sectors across Ontario that we do know—

The Chair (Mr. Kevin Daniel Flynn): Soo, we're going to run out of time on the question.

Ms. Soo Wong: Okay. Can you just comment quickly? I mean, you're not happy with our current tax rate, but it does seem to be working in certain sectors.

Mr. Erin Weir: Sure, and I would suggest that, for the film industry, it's not so much a matter of a low general corporate tax rate but specific tax credits for that industry. My argument is actually that rather than having across-the-board corporate tax giveaways with no strings attached, we are better off with a more targeted approach,

and I think the film industry might in fact be a very good example of that. I think we would agree on that point.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Erin. Thank you, Soo. Thanks for coming today, Erin, and thanks for answering the questions.

Mr. Erin Weir: Thanks very much for having me.

CONFERENCE BOARD OF CANADA

The Chair (Mr. Kevin Daniel Flynn): If we can call our next delegation, that's Glen Hodgson, senior vice-president and chief economist for the Conference Board of Canada. Glen, like Erin, we have an hour to spend with you. You've got the first 15 minutes, and in the first go-round of questions for 15 minutes each, the questions will go to the NDP, Michael and Catherine. Once you get settled, I'll start the clock.

Mr. Glen Hodgson: I think I'm settled, Mr. Chairman. First of all, it's my first chance to appear before the committee. I've done this many times in Ottawa for the House of Commons finance committee. It's nice to be here. What took you so long? And I'd love to come back any time.

We speak on the public record. We really are a non-partisan research organization, and what I'm going to say today is pretty much what I've told ministers for many years and what I would tell any of the three parties around the table.

I thought I'd start with the economic outlook. I spent a lot of time watching the global economy because we forecast from the world down to the local communities in the country. It's really an exceptional period of global turbulence right now. We've just had Cyprus flare up in Europe after three years of dealing with a European crisis. So I think that sort of uncertainty and the fear factor are still rippling through the global economy, and that's leading growth forecasts to be marked down, lowered almost every place.

We're one of the forecasters of record for Ontario finance, and I'm going to give you some numbers today that are preliminary but reflect our latest forecast round. We're estimating that Ontario's real GDP growth this year will be 1.5%; a little bit stronger next year, 2.5%. If you look at our most recent forecast online, that's a reduction of about half a percentage point this year. Governments tax nominal income. So you have to add inflation in. So our nominal GDP forecast for this year is 3.1%, and 4.3% next year.

I've spent a lot of time recently trying to educate leaders on what I call the world of mediocre 2% growth. I'm afraid Ontario's already there, or is going to be there very soon. You may have noticed a study we did about this time last year, in advance of the Drummond report, where we estimated the long-term growth potential of the province. Our number after 2015 is 1.9% real growth on a sustained basis. That's going to be hard, frankly, because we're used in this province—and I'm an Ontario taxpayer—to having growth between 3% and 3.5% on a sustained basis. In fact, if you go back a decade, we had a

couple of years where growth was nearly 4%—lot of money coming in, able to fund a lot of different programs, and I'm afraid the rules have changed.

On a going-forward basis, I think Ontario really has to plan against kind of a 4% nominal growth track, and the challenge is going to be how to rebalance the books and then live within a world where nominal GDP's growing at 4%. Revenues may grow a little beyond that, because there is some income creep built into the tax system, but it's a very different planning framework for the provincial government.

On the fiscal strategy, I must confess that I spent 10 years at federal finance. I represented Canada at the IMF in Washington. I'm a bit of a fiscal hawk; I'll come right out and say that. So my advice is, stick with the plan. I think it's realistic, given the position that the government found itself in going into the recession, to have a five-year plan. I don't like plans that go beyond five years, by the way. Even five years for me is the outside edge. In our estimation, in our research last year, we were hopeful that we could stick within five years, but sticking to the plan, rebalancing the books in 2017-18 we think is really important. Of course there's room for a little bit of slippage. It's frankly not that big a deal when it comes to the debt-to-GDP ratio, but I think having a hard anchor is really important for a credible fiscal policy on a going-forward basis.

I enjoyed your questions on Quebec to Erin because it's really striking for me that here we have a Péquiste government in Quebec and even Madame Marois appreciates the value of balancing the books next year. Why is that the case? Well, Quebec has the highest level of public indebtedness by province. They're at 51% of GDP now and they're afraid of losing their credit standing. They're already way below a AAA standing and they don't want to pay more for debt, and that message I think really resonates with every province in the country.

As you do a budget, I would counsel the government, and therefore the committee, to use very conservative planning assumptions. I gave you our numbers, and I know that you look at consensus in setting the track.

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And, frankly, build some buffers into the budget. Federally, I used to say, build in about \$5 billion of a shock absorber inside the budget, so actually have reserves built in. For Ontario, I'd say a number like \$2 billion built in, whether it's explicit or implicit, and it's not wiggle room. It really is a shock absorber, in case revenue turns out to be weaker; you have weaker revenue growth.

I would much rather see a budget disappoint on the high side in terms of stronger growth and smaller deficits than the other way around, but that's part of my experience at federal finance. I was there in the bad old days of \$40-billion deficits. It was a very salutary learning experience.

Mr. Chair, I thought I'd give you sort of some free advice, and four actionaries as well.

I'm going to start with health care, which is nearly half the provincial budget. We created a centre of the

Conference Board two years ago with a way-too-long name called the Canadian Alliance for Sustainable Health Care, or CASHC. It was better than "Show Me the Money," I thought. It's funded by the private sector, by hospitals, but also by a series of provincial governments and the federal government, and it's really trying to use our research capacities to look at transformation and creating a more sustainable health care system. Controlling compensation is a starting point, but clearly the conversation doesn't end there. There's actually more to be done.

We're producing research now—it's all on our website, conferenceboard.ca. We're really doing research in three areas: around population wellness and dealing with chronic disease, which is unfortunately taking off across North America; with better management, better design and management of the health care system itself; and then with wellness within the workplace. Some of the broad assumptions or the broad conclusions we're drawing right now are around system redesign, so things like creating more family health teams, and I know that started in Ontario. We think that should be the core model when it comes to primary care: Build family health teams, create incentives for doctors to go from sole practice or small practices to creating these collective teams, and a lot more weight on home and community care.

We spend a very small share of—well, every province spends a small share of their budget on home care. Most chronically ill people, most elderly people, would much rather be at home than in an institution. So one of the big challenges is getting people out of institutions, which are very expensive, and getting them into the community where they can be actually cared for at a lower price.

We think that the system itself has to be constantly rethought. We have to stop pretending we can have a hospital in every community that can do everything, put a lot more weight on specialization, focus the practice, and then have better management practices within hospitals in the system.

On education, again, we have to get beyond compensation as the debating point. I think we have to avoid false economies. Human capital is going to be the driver of Ontario's economy forever. Therefore, at least maintaining the real spending level by student has got to be a critical point, and, frankly, finding a way to better integrate the whole system from kindergarten or sort of early childhood education all the way through post-secondary. All the pieces have to fit together, talk to each other.

For example, we have a big challenge between universities and colleges where they have to move from a competitive model to much more of a co-operative model. There are some communities, like Guelph, for example, where that happens, but in too many other places you don't see the flow, and yet students are blind to the difference between universities and colleges. Some start at university for knowledge and then they go to a college to get a job. That's a perfectly natural sequence, and we have to really build bridges between the institutions.

On my third point, “invest in infrastructure,” we put a report out earlier this week commissioned by Ontario finance, I believe, that actually showed the productivity benefits of greater investment in public infrastructure. It’s about a thousand bucks a head in Ontario in terms of higher productivity. So we can discuss how we fund infrastructure, but I’ve had a chance to travel the world. I keep wondering, where’s the train from the airport in Toronto? I compare the footprint in Toronto to Montreal, which has five Metro lines—there’s two here—not to mention Madrid or a lot of other great cities in the world. People sitting in their vehicles on the 401 or the QEW wasting time, for example, whether it’s leisure time or work time, there’s got to be a better model—

The Chair (Mr. Kevin Daniel Flynn): Okay. There are a number of conversations. Maybe we can hear Glen.

Mr. Glen Hodgson: Sorry, Chair.

The Chair (Mr. Kevin Daniel Flynn): No, you’re doing the right thing. Everybody else is doing the wrong thing.

Mr. Glen Hodgson: I think we have to have a serious conversation and make some serious investment in public infrastructure going forward. By the way, public infrastructure does not pay for itself. So a user-pay model—if you think you’re going to do it that way, it’s not going to work. It can be part of the solution, but ultimately, the fare box is going to rely upon the taxpayer. There are good social reasons for investing in public infrastructure, not just to pay for the service itself.

Lastly, on tax reform, we were openly supportive of the elimination of capital taxes, sales tax harmonization, but also reductions in corporate income tax. We can discuss what the right level is, but I also think that there’s a need for a national conversation about comprehensive tax reform. We’re on the record saying this repeatedly. There’s very little traction around the idea right now. We keep adding on more and more incremental changes to the system, and the system is not coherent inside. We are not bad; we’ve done some of the right things to foster business investment, but I think we have to step back and look at the functioning of the whole system.

I thought, Mr. Chairman, that I’d finish with one big idea, which is, I would love to see a debate and even some action in Ontario about a guaranteed annual income as an alternative to our existing welfare system. I think it’s actually a big idea where it’s really come time for a debate. Senator Hugh Segal is the champion in the country on this. I like what Senator Segal has said. If you actually look at the literature—I’ve written about this. In fact, I actually talked to someone at Maclean’s magazine this morning about, “This is an idea.”

The real savings are not in the budgetary outlays for people with low income; I think they’re probably in health cost savings and in getting people into the labour force faster. If there is one big idea I’d leave with you, maybe it’s time for Ontario to do an experiment. Choose one community, one area, and try it out. There was actually an experiment in Manitoba back in the 1970s when I was an undergrad at U of Manitoba called Mincome.

Research is finally coming out—it has taken almost 40 years—but the evidence is that there was no change in people’s underlying social behaviour, but they went to the doctor less often because they were generally healthier, and their kids got into the labour force faster.

That, to me, is a bit of a leading indicator. It poses some interesting questions, because clearly Ontario is going to have to do governance and government very differently going forward. So there’s a big idea for you to debate—if not today, maybe at some point down the road.

I look forward to your questions.

The Chair (Mr. Kevin Daniel Flynn): Great; thank you. We maybe have some questions on your big idea, starting with Catherine and Michael.

Ms. Catherine Fife: Thank you very much for the presentation. Actually, I’m a little surprised by some of your comments. I think that’s really refreshing. To bring an annual income to this table and this debate I think is really timely.

But I want to better understand: When you take this idea—because it’s a big idea—of an annualized income, where do you see the major points of reference for resistance to that, and can you also articulate the positive? I know both sides, but I’d like to hear it from you, please.

Mr. Glen Hodgson: I think the single-biggest point of resistance is those who have a stake in the status quo, in the existing welfare system, whether it’s practitioners, people who benefit from it along the way—there’s also, clearly, a huge fear factor, a fear of the unknown, what would this alternative system look like? People on the right have tended to worry about the financial costs but also whether it would corrupt people’s moral behaviour, and on the left, wonder about the level of income support. I’ve heard criticism on both sides, but I’ve also heard supporters on both sides. The fact that somebody like Hugh Segal, who actually worked here at Queen’s Park early in his career, has become a champion intrigues me. But I’ve done my own research on this, and it actually goes back to Milton Friedman, of all places, who called it a negative income tax: trying to use the tax system as a way, in a really administratively simple way, to give income to people, rather than having a frankly paternalistic, controlling welfare system, with all sorts of welfare walls built in where if you earn income, you lose benefits from the system—and very hands-on to administer. So as an economist, I find it an intriguing idea. I don’t think it’s a silver bullet, by any means. But I do think that we would benefit from having an Ontario almost-experiment, like a pilot, done in one community.

Ms. Catherine Fife: Glen, we’re talking about phasing in \$1.3 billion of restricted HST input tax credits. I wanted to know what your thoughts were around how that potentially could encourage investment and job creation. Could you comment on that, please?

Mr. Glen Hodgson: Well, I must confess, I’m a bit of a purist. Having been at federal finance when the GST was created, and seeing the debates in-house about whether one doughnut was a confectionery item but six

were a food item, I would actually rather keep the system as transparent and simple as possible and steer away from that—

Ms. Catherine Fife: And this would make it less transparent? How so?

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Mr. Glen Hodgson: Whenever you start adding advantages for one, you're actually creating disadvantages for somebody else. Having as clean a system as possible—and I'm not an expert in this; we haven't examined it in great detail, but I would prefer something which really mirrors the federal system as much as possible. Then if you want to deal with individuals, you do it through income support, through the tax credit.

You see, the conceptual thinking that we have is, use the tax system as much as possible and avoid exceptions because they've really taken us into a very difficult place where governments, both federally and provincially, are losing a lot of revenue right now that would be very nice to have with a \$12-billion deficit.

Ms. Catherine Fife: There's no doubt that we need to increase the revenue.

In your presentation, you broached a really problematic area, and that's the area of health care and the need for transformation. I'd be interested to know where the board is with regard to privatization. Because of privatization of some services in the health care sector, we're looking at a breach around quality, especially with regard to the chemotherapy drugs that were distributed to 1,100 patients. There's risk to privatization.

When you're looking at health care transformation, are you injecting the privatization conversation in there? Do you have a preference? Because your areas of research you've referenced—the current system is not sustainable.

Mr. Glen Hodgson: It's interesting, because we actually don't use the word "privatization" at all in our research.

Ms. Catherine Fife: Well, why not?

Mr. Glen Hodgson: First of all, let's look at the funding side. Some 30% of health care is already funded by the private sector. Most employers have private benefit programs, whether it's through diagnostics, whether it's through various forms of support. On the delivery side, we have virtually no private delivery, but we do have private clinics, for example. I know, for example, that there are people downtown here who have been subcontracted by hospitals within the system as the centre of expertise.

I've always found it curious, as a point of philosophy, that we have a publicly funded education system but we allow people to have private schools, and we don't offer the same alternative when it comes to health care. I have a hard time seeing how that erodes the publicly funded health care system. People still have to pay taxes. It might actually improve service delivery. But we're not actually doing any explicit research on that right now; maybe we will, down the road.

All of our research is going to be out in the public domain, by the way. We had a conference here in

Toronto back in October, and we'll have another one again. We have people from various perspectives talking about delivery of health care.

I do think we have to put our thinking caps on a lot and be a lot more creative on how health care is actually delivered. Clearly, the single-payer model is much more efficient than the private insurance model of the United States. The Americans waste 7% of GDP on private health care, through insurance—through a competitive, inefficient-scale insurance model. We would clearly not be in favour of privatization if it means doing away with the medicare system that was built up over 50 years.

Ms. Catherine Fife: The public option.

Mr. Glen Hodgson: But I do think there's a lot of room for creative thinking around alternative delivery models.

Ms. Catherine Fife: Okay. I think that right now we're mostly concerned about quality control as well, in that model.

This may seem like a bit of an unfair question—and please tell me—but you were here for the previous presentation, and it was suggested that a very simple increase in the corporate tax rate to 12% would in fact bring almost \$400 million to \$500 million in revenue. We'd be pretty much where other provinces are and the rest of the country. What are your thoughts on that option, and is it worth considering?

Mr. Glen Hodgson: First of all, I try really hard to avoid critiquing other organizations—other think tanks, advocacy organizations—so I'm not going to go there directly—

Ms. Catherine Fife: You should be a politician.

Mr. Glen Hodgson: —but I'll go there inadvertently.

Interjection.

Mr. Glen Hodgson: I think it's a little bit like Solomon and the baby, in that—

Ms. Catherine Fife: Who? What? Solomon and the baby?

Mr. Glen Hodgson: The Solomon-and-the-baby analogy about where you draw the dotted line to cut the baby in half. Ontario clearly has gone through a really difficult period in the last five to seven years, with new competition from China in manufacturers, with the dollar going to par and getting stuck there, with the really wrenching adjustment that happened in the auto sector, which is the backbone of manufacturing in Ontario. So something had to be done, and that's why we like what the government has done in terms of adjusting corporate taxation. But also, we're mindful of the fact that the American system of corporate tax is totally messed up, and the posted rate is much higher than in Canada. So it's really a question of how much of an advantage do you need to actually attract your fair share of investment from the private sector? I don't think there's a specific right number or right answer. So if I were to sort of give you a single piece of advice, I think the government's decision to kind of tread water until the budget is balanced is probably the advice that I would have offered.

Ms. Catherine Fife: Okay.

Mr. Glen Hodgson: But I wouldn't leap at all to saying, "Gee, BC is raising rates, therefore I can," either. Because I think BC, frankly, shot themselves in the foot.

Ms. Catherine Fife: One final question: You know, my colleagues here, the PCs, earlier also expressed dismay and frustration—I think it's well-placed frustration; we certainly feel it over here—that the net corporate operating surpluses are at \$83.6 billion. It's a challenge to incentivize that investment. The common word or description now is "dead money" or "limp" or "flaccid." What are your thoughts—

Mr. Glen Hodgson: Which radicals like Mark Carney and Jim Flaherty have talked about.

Ms. Catherine Fife: Yes, it's dead and we need to put that money into play. What are your thoughts on incentivizing that money from an investment perspective?

Mr. Glen Hodgson: I think it flows back to the learnings of the last five years around access to credit and instability in the world. The truth is that the global banking system shut down in October 2008 and it didn't really start up again until the middle of 2009. You couldn't go to the commercial-backed paper market in Canada; it was shut down. So if you're a rational treasurer in a company who thinks that maybe you don't get access to credit markets—you actually can't finance your payroll through things like that—you start hoarding cash. Then you look at what's happened in terms of the very bumpy global recovery for the last almost four years now. In times of uncertainty it's people putting money in their mattress.

So I think the single most important thing in fact is to build a really stable platform in terms of taxes, in terms of regulations, in terms of people having confidence and stability. That will begin to induce behaviour. Because I guarantee shareholders are not happy with corporations sitting on so much cash. It's sort of rational short-term behaviour but really dumb long-term behaviour for so many companies to be buying back their own shares as a way to prop up the share price. It's almost like they have no other alternative, because they've put so much weight on the fear factor that they've kind of forgotten how to take a risk.

There was a very good piece in the *Globe* this morning, written by a colleague from Alberta, talking about that, how do we actually get companies to take risks anymore. But I don't think that using a stick—meaning, threatening them with taxation or with punitive actions—is the way to do it. I think it's really a matter of, step by step, rebuilding confidence. Things like staying on-course, a five-year plan to rebalance the books, for me is confidence-building, unlocking some of the cash in Ontario firms.

Ms. Catherine Fife: And do you think that this province is on track to balance the budget by 2017-18, as proposed in the current—

Mr. Glen Hodgson: We think for the most part the government's used very prudent assumptions. We like the fact that we're a little bit ahead of plan. We'll have to see what the final number is. But I would also really

counsel the government, whoever it is, because minority settings are unusual, to stay on course. If you find yourself a little bit behind plan, do something to stay on track. It's not good enough for me to say, "Oh, we'll do it next year." You know, I was a fed for 10 years when we said it for next year, and it took 13 years to get back to a balanced budget.

So, yes, I think it's doable, but you have to make course corrections along the way. That's a really important piece for us in restoring confidence in good fiscal management in the province.

Ms. Catherine Fife: Thank you very much.

The Chair (Mr. Kevin Daniel Flynn): You have about three minutes, Michael.

Mr. Michael Prue: Okay. There are many ways to avoid taxes if you have lots of money, and lots of corporations like to move their money around, not only branch plants sending the money back to the United States, but also within Canada, sending it between the various provinces, so they can get sort of the best tax deal by off-setting their gains in one place and their losses in another. It seems to be costing Ontario a lot of money. Could you comment on that?

Mr. Glen Hodgson: In truth, we don't have any particular expertise on that. I agree with you, as a point of principle, that we need more transparent systems, less complex systems, so people see the way through. Globally, this is a big issue right now as well. I mean, there's been a lot of research and dialogue recently about global tax avoidance in massive numbers.

Mr. Michael Prue: Trillions of dollars, I've read.

Mr. Glen Hodgson: Trillions of dollars. In fact, governments everywhere lose because of that, because of offshore tax havens. But we don't have any particular expertise on that. That's part of the reason why we like Ontario having a competitive, overall, corporate tax regime to ensure that if there's a bias, it's a bias in favour of declaring income in Ontario, doing business activity in Ontario.

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Mr. Michael Prue: In terms of this—

Mr. Glen Hodgson: Of course, if I can go on—appreciate the fact that we've counselled the province of Alberta not to rely so much on royalties as a source of revenue and actually begin to increase their own source revenue through things like tax increases for individuals and corporations. We're trying to be symmetrical in the advice that we give.

Mr. Michael Prue: Obviously, Alberta wasn't buying that.

Mr. Glen Hodgson: Well, I did sit in Minister Horner's office in advance of the budget. He didn't take that advice directly on. But part of our job as a think tank, I think, is to feed the conversation, open up people's minds to alternatives.

Mr. Michael Prue: How does—and I posed this question to the last deputant as well—Ontario collect those monies which we find out are owed? It doesn't seem to me that with the evidence from Lichtenstein, where we

were handed a disc with hundreds and hundreds of people, not one of whom has been prosecuted, and the slow reaction on the take-up of what's happening in the Cook Islands—we don't have a bureaucracy anymore. We gave it away, stupidly. How do we try to collect that money or do we just kiss it off?

Mr. Glen Hodgson: First of all, I think having one tax administrator in the country makes a lot of sense, and I'd say the same thing in Quebec City, if I was sitting there as well. So I don't think it was stupid at all to have a consolidation for revenue-gathering capacity.

Mr. Michael Prue: If they gather it.

Mr. Glen Hodgson: If they gather it, and that really comes down to, how can Ontario/Canada play a leadership role looking for higher standards globally, putting more pressure on tax-avoidance havens, pushing for more transparency, and really taking very punitive action against anybody who has shifted offshore taxes that should have been paid? I mean, a public hanging, frankly, gets people's attention. Hopefully, CRA and others will have the ability to do that, if we discover Ontarians and Canadians have actually shifted taxes that should have been paid here into other jurisdictions.

Mr. Michael Prue: Can the CRA do that with the impending 25% reduction in their numbers of workers?

Mr. Glen Hodgson: We haven't studied that at all, but I suspect that they'd be—given that they're now your tax collector, they should be invited to come and testify.

Mr. Michael Prue: Okay.

The Chair (Mr. Kevin Daniel Flynn): From public hangings, we'll go to the government side. Who's up?

Mr. Glen Hodgson: Mr. Chair, that was a turn of phrase.

The Chair (Mr. Kevin Daniel Flynn): I know. I'm just having some fun.

Ms. Soo Wong: Thank you so much, Mr. Hodgson, for coming down to Toronto and for your presentation.

I have a couple of questions, first starting with your view and your remarks about the health care transformation. As you know, Minister Matthews has started that process. I just want you to further elaborate, because there have been several witnesses before the committee who see that the health of our community is dependent on those hospital beds. But what you're saying here, in your presentation to us, is that that's further from the truth.

Mr. Glen Hodgson: Yes.

Ms. Soo Wong: From your expertise and from your experience, can you elaborate on your comments about the interest of the community and the evidence to show that it's better in the community? Can you elaborate on that further?

Mr. Glen Hodgson: I'll start by saying that I think most analysts agree that our health care systems as currently struck here and in every other province across the country were designed for another era. It's an acute-care system designed for a period when access to specialists was really the core need of the community. What has happened in the last 25 years, of course, is that we've

seen a tremendous rise in chronic disease linked to an aging of the population. We've got a Cadillac system designed for treating what actually isn't the real need, which is to try and improve wellness, deal with obesity, prevent people from getting hypertension, diabetes and all those sorts of things.

So then the issue becomes, okay, if your system is actually misdesigned for what the real needs of the community are, where do you begin to make changes? We've just started a research plan, so we're kind of half-way through, but our initial learnings—and there are going to be more—are that clearly we've underinvested in things like wellness strategies—actually keeping people healthy, ensuring that we have the proper diet, we have exercise, we're walking, we deal with the socioeconomic determinants of health, things like poverty, bad housing—because if you don't deal with that, then you get pressure on the system.

Then, within the system itself, over time we would like to see a reallocation of resources away from just hospitals. So things like freezing budgets for hospitals may be very painful for administrators in the short term but it's a really important signal, we think, to where resources have to be reallocated towards home and community care.

We don't have the final answers yet, but we are part of the conversation now and we'll be working with other players in the field, like the home and community care associations, to try to give better advice and make the case for, particularly, dealing with elderly people and people with chronic illnesses: Get them home, and find a way to care for them at home.

Ms. Soo Wong: In your presentation, you talked about investing in infrastructure. When you talk about investment, what percentage, what number, are we talking about that is sound, that will not further put us into deficit? Can you elaborate on this investment in infrastructure?

Mr. Glen Hodgson: I don't have an Ontario number, but I'll start with a number that we didn't create; this comes from the Federation of Canadian Municipalities. They estimated a few years ago that Canada had a collective infrastructure deficit of \$125 billion to \$130 billion—underinvestment in roads, in water systems, in a whole variety of other things.

We think governments are now finally getting the message and are moving in the right direction. We've seen greater investment in Ontario. We're seeing the federal commitment after 2015, where Mr. Flaherty just put \$40 billion on the table going forward. But we have a huge stock problem. We're starting to change the flow of resources, but the stock problem still remains.

I think what Ontario has done in the last number of years is really important. The move to PPPs—private-public partnership—not having the treasury fund directly, but looking at much more creative models where you're engaging the private sector as a delivery vehicle. I think the evidence that's building up is that the province has made great progress when it comes to schools, hospitals

and public buildings going to a PPP model. The challenge is, how do we now extrapolate that out and do it around things like public transit? Metrolinx has access to serious money to deal with the gridlock that clearly exists in southern Ontario.

Ms. Soo Wong: You commented about the system integration from junior kindergarten to 12 with post-secondary. Can you elaborate on that “with post-secondary” piece for me, please?

Mr. Glen Hodgson: I’ll reveal a secret here: Our research model, more and more, is to get funded research centres, where we mix private sector investment, government investment and universities around a big idea. We have one on health care, we’ve got one on the north—in fact, Ontario has invested in a variety of them.

Our next centre, we hope, will be around the post-secondary education system, looking at the current state, benchmarking Canada against other leading countries, and then asking some really profound questions about the integration between colleges, universities, on-the-job training. It’s a work in progress for us, but we think we have to look at this as a fully integrated system—asking questions about apprentice programs, for example. I heard you asking questions about how to get young people into the workforce. There’s no silver bullet, but clearly we’re underinvested in things like apprenticeship.

I think we can all point to really good examples of university programs that give you on-the-job experience—I mean, Waterloo’s mark is now top science, mathematics and computer science—but also that training experience that students have.

We’re going to build a research centre to try to give you more profound questions.

I’m not the in-house expert on this, but my new president was the dean of the business school at UBC for the last 15 years, so he’s coming from an academic background.

We are committed, as an organization, to doing a lot more research to try to help governments form better policy around post-secondary.

Interjection.

Ms. Dipika Damerla: Thanks, Soo.

I really enjoyed your presentation, Mr. Hodgson. I was in agreement with a lot of things you said.

I want to ask you a question that’s actually something I’ve been thinking about for a bit, and I wanted your expert thoughts on it. I know that a lot of the conversation around balancing the books—you hear people saying, “Well, you can’t just focus on the spending side; you have to focus on the revenue side.” Often, the revenue side for government translates into more taxes. Ideally, it should not be just about raising the tax level, but growing your GDP so that you have a broader number of companies and more income to tax, so you can keep the same tax rate but get more revenues. When I see something like the 1.5% real growth, that tells me that there isn’t that much capacity in terms of increasing our revenue compared to what our aging population needs.

To me, that is the crux of the issue, and it really is highlighted by something I read in the newspapers about

a month ago, which was that Canada launched a couple of satellites recently. So that’s really, really high-tech. I also read that they were very miniature—really small—ones, so that just goes to show you how well we’re doing. Then I read further on that they were actually launched by the Indian Space Research Organization, because that’s what they do for a living, and the reason we used the Indians is because they do it cheaper and better and reliably. That’s the crux of the issue, because it’s not just about losing the manufacturing auto jobs to India or China; we are now uncompetitive in an area that we think we ought to own, which is launching satellites. How much more high-tech does it get?

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But if you’re not even competitive there, that brings me back to the 1.5% growth, and how do you solve that? Because when I hear issues around, “We are losing jobs to temporary workers,” it all comes down to the cost of doing business. We can insulate ourselves, surely, within Ontario, through laws, but in the end we compete in the broader market. I keep wondering what is the answer, and I’m curious what you would say.

Mr. Glen Hodgson: My goodness.

Mr. Steven Del Duca: You have one minute.

Mr. Glen Hodgson: A very long time ago, I sat in a room like this doing a PhD oral exam, and I feel like I’m sort of back in front of the examiners.

The Chair (Mr. Kevin Daniel Flynn): Well, there could be big money if you get this right.

Mr. Glen Hodgson: I’ll give you kind of a theoretical answer; then we can talk about Ontario specifically. Economic growth is a function of three things, right? It’s a function of labour force growth, so people, who are both supply of skill but also create demand; private investment, and that’s why getting a really competitive tax regime, I think, is really important for Ontario; and then productivity.

We know what’s happening on the people side: We’re getting older, labour force growth is slowing. Fortunately, Canada and Ontario have an aggressive immigration policy as a way to at least try and buttress some of that slowing labour force.

Private investment actually recovered fairly well, we think, after the recession. I mean, we had fairly strong numbers in 2010-11. They faded last year; they’re fading again this year. That’s an area of concern. But of course, you don’t have a counterfactual. You don’t know what would have happened absent all the tax adjustments.

The real issue for me and for Ontario is around productivity and innovation. The fact was that we did very well in this province on a model where with the dollar at 63 cents we could sell the Americans everything we made. That really was the model from about the early 1990s until 2003. Then the rules changed. Then China grew up, commodity prices took off, the dollar went to par. So for us, that’s the context that Ontario is facing right now.

You can go sector by sector. For example, in the auto sector I think the rules have really changed fundamental-

ly. It's not at all surprising. It's actually a pleasant surprise when you hear a manufacturer like Toyota saying that they're going to bring in a new product line, because we also see what the Detroit Three are doing. They're pulling back capacity to the US. We know that we're probably going to lose the OEM assembly to the US and Mexico on a going-forward basis. But at the same time, we know that Ontario has tremendous skills, a lot of creativity. So it's a matter of, how do you put together a total environment that sparks that?

I was at an event at MaRS on Monday on health innovation that was sponsored by a major drug company. I think MaRS is the core of a great idea, building critical mass around incubators, around sharing ideas. MaRS is focused on biotech, life sciences, but can we have even more MaRS in the province as a way to create hubs and catalyze ideas? Because Ontario's not going to get rich on resources. We've had that period; that was 50 years ago. The challenge going forward is going to be around human capital, smart people, innovation, and seeing whether big or small clusters grow up across the province and finding a way to get ideas out of the lab and into the market. So our big challenge around commercialization of ideas and whether we have enough venture capital, those are the debating points right now.

I think for the most part we're moving in the right direction, but it's a question of the pace, and ensuring that we have a really competitive tax and regulatory environment to foster the development of new ideas, knowing that parts of the old economy, frankly, are fading and they're going to keep fading.

Ms. Dipika Damerla: Sorry, I missed that.

Mr. Glen Hodgson: Well, parts of the old economy—and there I would point to the auto sector. We will still have assembly in Ontario, we will still have tool and die makers, we'll still have big ideas, but it's not going to be the growth frontier, we don't think, for the Ontario economy. The growth frontier is going to be around big new ideas coming out of labs on campus and out of places like MaRS.

Ms. Dipika Damerla: So you've given me, like you said, the theoretical answers, and I want some idea of what does the government have to do in practice to hit those things that you say we need to do, which is increase productivity so that we are competitive at par, just as an example? What do we have to do? And you said we have to be a more innovative society. I've been hearing that since I've been in university: Be more competitive; we have to be more productive and we have to be more innovative. But what do we have to do as a government? In your opinion, are we doing those things? What else can we do?

Mr. Glen Hodgson: Let's start within the budget, because this is the finance committee. Don't let health care crowd out everything else. That's job number 1. That's why we fully support the idea of pulling back health care spending to growth of, whether it's 2% or 2.5%. But frankly, it's got to grow more slowly than the economy to ensure that we don't underfund infrastruc-

ture, innovation, education—a lot of other things that really matter.

Secondly, and this is very much the kind of research I brought to the Conference Board, I think Ontario needs an open environment, within Canada, within North America and globally, to prosper. So be in favour of getting rid of barriers at provincial boundaries. Why wouldn't Ontario sign on to the TILMA? It's kind of sad, frankly, that Canada had to have a free trade agreement between two provinces, between BC and Alberta, to allow free movement of people, goods and ideas. Why don't we stretch it across the whole country? Why don't we become like—the EU screwed up big time in a lot of ways, but one of the areas where the Europeans got their act together was getting rid of barriers within Europe. I think we should be doing that within Canada. I think we need another phase of free trade negotiation with the Americans, not on tariffs, but on what are called non-tariff barriers, which are regulations, norms and standards. We don't have to harmonize. We have to find a way to avoid having cars built in Oshawa that have different specs for seat belts in Canada than they do in the United States. That's just stupid. That's a way to render yourself uncompetitive. And big-time support for a free trade agenda, understanding that a trans-Pacific partnership would be good for Ontario, but also free trade with India and a lot of other countries.

The Chair (Mr. Kevin Daniel Flynn): Thank you. Time to switch questioners. Peter?

Mr. Peter Shurman: Thank you very much, Glen. This is most interesting. One of the things that I find when we sit in committee, and especially when we hear witnesses who are brought before us as experts but nominated by different parties, is that no matter what party nominates whoever speaks, and I've seen it with Erin and I see it with you, there are nuggets and pieces that transcend the party aspect of it. I hope that all of us, regardless of who's in power, are smart enough to adopt the ones that are the real gold nuggets.

I'd like to focus for a minute with you on the issue that you began with, which is the economic outlook and real GDP growth. You're looking at 1.5% in 2013, and you say 2.5%, so a bit of a blip, in 2014, and then settling in at 1.9% sustained for some period that you don't want to go past five years estimating. So I—

Mr. Glen Hodgson: Well, actually we go out 25 years.

Mr. Peter Shurman: Okay. That's fine.

Mr. Glen Hodgson: We do a long-term forecast for the province. After 2015, our number would be about 2% or a little bit below that.

Mr. Peter Shurman: Okay, so let's just take that as the given, and that's your view and that's what you're here to give us. But then you go on to say that 4% is typically what governments have taxed, which means that the issue of bringing our province into balance and therefore creating what can be called a balanced regime, where people would say, "I want to settle there; I want to work there; it's going to be a good place to expand my

company or put my company," any of those things—small businesses, large businesses—that's all predicated on what we would call stability.

How do you think we're going to get to a point where governments can say to themselves, in creating budgets, "We're prepared to rein in"—and it's not a rein-in as in one year—"our expectations for revenue"—because that's what you're talking about when you talk about GDP growth—"for the foreseeable future"? How is that going to be done? You're now the adviser to the government, because that's what you're here for. What do you tell Charles Sousa, the finance minister?

Mr. Glen Hodgson: I guess you have to separate between the immediate budget and the longer-term plan, first of all. In the very short term, you may have to do things which aren't in your long-term interests, and I think things like artificially constraining funding in certain areas would be that. But I think the real solution is around opening up your mind to transformation, doing government very differently. That's why I offered up the guaranteed annual income as an example, where—and this would not be popular with public servants, necessarily, but you could literally reduce your payroll significantly on the ground in a lot of communities and offer up a tax-based solution there; maybe spend the same money on the transfers, maybe have a payback in terms of less demand for health care from low-income people and even more people in the workforce. But are you prepared to go there? Are you prepared to actually think about that transformative change?

1550

It's the same sort of thing in the questions on the health care system. Are we really prepared to maintain a freeze or very slow growth of hospital budgets, but empower hospital managers to be really creative, like private sector managers? Or are we hamstringing them with compensation increases, with other rules, with mechanisms that really don't give them the operating freedom?

In the current budget, you have to do things to stay on track. But the real challenge is almost, can you transform the way the province of Ontario offers public services?

Mr. Peter Shurman: Well, we don't disagree with you. And by the way, I don't think when I say "we," although I'm speaking for the PC Party, that it's exclusive to the PC Party; because whether we're in power or they're in power or the third party is in power, it doesn't really matter. The transformation you talk about is coming because it's going to be an exigency imposed upon whomever takes power in the province of Ontario, I think, and probably a lot of other jurisdictions like it.

That being the case, let me ask you a very pointed question on transformation: Would you suggest through what you seem to be saying that transformation would include something like beginning to pare down—maybe it's by attrition, maybe it's by proactive moves—the size of the public sector and look for competitive bids, for example, to supply services that are used by governments at the broader public sector level?

Mr. Glen Hodgson: I think transformation means opening your mind up to a whole variety of alternatives.

Mr. Peter Shurman: That's a short answer, and I'm going to read into it and I'm going to ask you to amplify. I'm going to take that as a "yes," actually.

Mr. Glen Hodgson: I think we've reached the point, for example, where you look at entities owned by the provincial government and you have to ask yourself, "Do we really need to keep offering those services within government, or could the private sector do it?"—absolutely.

Mr. Peter Shurman: I want to make it clear for the record that I didn't invite you here, okay? Just so you know. That was not a left-handed compliment.

Glen, can we move to the ability to absorb more taxes? You know, because of what you do for a living, what the popular—and by that, I mean what the ability of the population is to sustain more taxes—because if you're not bringing in the revenue, which your GDP suggestions suggest, and you have to transform, but you're not doing it fast enough, then you have a spending problem. No matter who's in power, that's necessarily the case. That being the case, you have to get that money somewhere. How much more can our population, between the various aspects of what it's called upon to pay, mandated to pay by government, whether we call it a tax or we call it the cost of energy or whatever it is that is paid through government or para-governmental agencies—is there any headroom?

Mr. Glen Hodgson: I'll go back to your opening premise. It's not just about rates; it's not about energy costs. I would actually go back and think about the system, and the design of the system as the starting point.

I probably have spent more time thinking about this federally, because they're the ones who ultimately are the chaperones of the tax system, but the feds lose about \$100 billion a year through tax exemptions. That's part of the reason why we start there, saying, "Are you really getting rate value for money by having 200 different exemptions for individuals and businesses?" So before you have a conversation about rates—and I hear you on things like power rates across the province—I think you have to really go back to the fundamentals, and design of the tax system is the starting point.

But I heard your earlier question, for example. We know that our next-door neighbour, la belle province du Québec, has a surplus of—

Mr. Peter Shurman: Tu parles français, OK.

Mr. Glen Hodgson: Je parle un bon français parce que j'ai représenté le Canada à l'outre-mer plusieurs fois.

Mr. Peter Shurman: Excellent. Go ahead in English. We wanted to put them to work for a minute.

Mr. Glen Hodgson: They probably have to translate it back.

Mr. Peter Shurman: Yes, probably.

Mr. Glen Hodgson: But I think now is the time when governments everywhere really have to take off the blinkers and be much more creative about how they're offering public services. Things like buying power from another supplier—we don't generate all the electricity consumed in Ontario in the province right now. We have all sorts of sharing schemes with other states and prov-

inces. Ironically, we don't have a grid that goes across Canada that would allow provinces like Manitoba and Quebec to actually supply enough power—

Mr. Peter Shurman: Well, interestingly, we do have two power corridors between Ontario and Quebec that are just kept warm, but they could be used a lot better.

Mr. Glen Hodgson: They could be used a lot more. But that's a matter of taking the blinkers off and getting much more creative in how we're forming public policy.

Mr. Peter Shurman: Thank you.

Mr. Monte McNaughton: Thank you very much, Glen. I've enjoyed your presentation. I wonder if you could comment a bit back to my colleague Peter's point about the growth post-2015. How does Ontario compare to other provinces and even other US jurisdictions?

Mr. Glen Hodgson: Well, let's do inside Canada first. Very quickly, east to west: Atlantic Canada has old populations, and they probably have a growth potential of between 1.25% and 1.5%. Quebec: We actually just did a re-estimation. We estimate Quebec's long-term potential at 1.5%, so almost half a percentage point below Ontario. There's big, big challenges, which is why Quebec has already started raising sales taxes and other taxes. Across the board, Quebec's taxes are much heavier than Ontario's. Western Canada starts getting better. They have the benefit of strong commodity prices, they came through the recession in better shape, and there's net migration within Canada now, people moving from Atlantic Canada and Quebec—not certainly Ontario—westward. A province like Saskatchewan or Alberta probably has potential of around 2.5%.

But all of them have potential below where we were a decade ago, and that really reflects fundamental demographics. That's a consequence of—you're probably younger than I am—we boomers getting older and starting to get ready to leave the labour force and having lower fertility rates and not replacing all the born-in-Canada workers. That's why we've been strongly supportive of a very activist immigration policy in the country, which will not totally fill the hole but at least will go some way to mitigate the impact. We're looking at a cross-Canada scenario, different by region and by province but with slower growth.

The US has been in a mess now for five years. They basically forgot to invest for about three years, and that has an impact on potential. But they also have stronger sort of in-country population growth than we do. They have higher fertility rates. The Latino population, in particular, is still having three to three and a half kids per female. So if America got its act together, which is a big question mark, they could have potential growing at, say, 3% in 2020-25. But right now my story on America is there has been a private sector recovery. The trouble is that Washington is so messed up, they're destroying confidence and really holding back the US recovery. It's a very mixed story with lots of different parts moving.

Mr. Monte McNaughton: To go back to the deficit here in the province of Ontario, the research that we've done—we've been going through the budget numbers for

a while. We don't have confidence that the government actually is going to balance by 2017-18. Post-2015, there's a lot of numbers missing from their projections. I wondered, if you were advising—and as my colleague Peter said, you are advising—the government, would you recommend that the government balance sooner than five years? We think it's possible. In fact, we've committed to doing that if we're in government. I come from a business background, and the sooner the books get balanced, I think the more confidence that instills in the business community.

Mr. Glen Hodgson: My opening position is the same as yours: Balancing earlier is better. But that said, the Ontario economy is still fairly fragile, and if you put your foot on the brakes too hard, you may end up getting conditions you don't really want which actually impede your ability to balance the books.

Maybe the most striking example of this right now is what's happening in the UK. I was at the IMF for three and a half years. It's extraordinary for the IMF to come out and tell a government not to work so hard to balance the books, because they're actually creating a double-dip recession right now in the UK. It's really a fine balancing act where if you squeeze too hard on the fiscal accounts, you end up crushing out any growth in the public sector and actually having a negative effect on private investment.

I guess our judgment is that the five-year plan that was put in place is probably the right time frame, but you've got to stick to the plan right now because you've really created an expectation—

Mr. Monte McNaughton: And if the government of Ontario doesn't balance within those five years and it's longer, what risk does that pose to Ontario, in your opinion?

Mr. Glen Hodgson: It depends whether it's one year longer or five years longer. I saw this story at the federal level, where we always promised to balance two years out and therefore didn't do enough in the first year to actually get there. If you slip by a year, frankly, in dollar terms it's not a big deal. Ontario's debt will probably plateau in the next year as a share of GDP and start falling. But I think it does have a negative effect on confidence and on credibility of government management. Putting all that together, we think balancing in 2017-18 is pretty important, regardless of who's in office.

1600

Mr. Monte McNaughton: The view that we're taking, our caucus, is that we need to make Ontario the number one jurisdiction, bar none, to do business in. We need to attract companies. We need companies here to expand, and we think having that attitude will bring jobs to Ontario.

I wanted to get you to comment more on corporate tax rates here in the province. We were going to go to 10%, and I believe the government, in the last budget, kept it at 11.5%. What's the benefit on jobs to continuing to lower corporate taxes? Do you have any statistics—1% creates more jobs?

Mr. Glen Hodgson: We haven't done that kind of detailed analysis, and it may not be a linear relationship,

so I'm not sure I have an answer for you. If I was sitting with the minister right now and he said, given the choice between whether it's \$200 million or \$400 million in revenue and reducing corporate taxation to create an even more competitive environment, I'm not sure I know what the answer is. I personally would put more weight on the rebalancing side. I understand why they sort of capped the reductions at that point.

Then the issue really becomes for me: how competitive you want to be within a North American space. I started to delude myself to think the Americans were actually going to reform their tax system when we saw the debate around the fiscal cliff. I didn't believe they'd actually get to sequestration, but they truly are not capable of having a grown-up conversation about tax reform in the US. Their posted rates are very high, but there are massive exemptions in the American system, so I think it's really hard to say. I can estimate the marginal effect of tax rate for corporations, but all-in, I'm not really sure whether we've reached the optimal point or gone beyond it. I do think the reductions that have happened were an important signal that Ontario is trying to be more tax-competitive.

Mr. Monte McNaughton: Thanks.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Glen. Thank you very much for attending today. I think you provoked some interest from all three parties.

Mr. Glen Hodgson: Good. If I'm invited back, I'd be very happy to come.

The Chair (Mr. Kevin Daniel Flynn): That would be a good sign. You did a good job.

PROGRESSIVE CONTRACTORS ASSOCIATION OF CANADA

The Chair (Mr. Kevin Daniel Flynn): Apparently we're going to be voting at 4:20, so what I'm going to suggest we do is that we hear from Sean; I see you in the audience there. If you'd like to come forward, we'll give you 15 minutes to make your presentation, and then we go to each party for 15 minutes to ask you some questions. What I'm going to suggest is that we do the 15 minutes and then we adjourn to go to the House and do our voting, and then we come back and finish up. I see no other way of doing it, as a matter of fact. Sean, when you're comfortable, I'll start the clock. The questioning this time will start from the Liberal side.

Mr. Sean Reid: All right. Thank you, Mr. Chair, and good afternoon, ladies and gentlemen. I want to first thank you for the opportunity to present to the committee as part of the 2013 pre-budget consultations. My name is Sean Reid. I'm the director of federal-Ontario affairs for the Progressive Contractors Association of Canada.

The PCA is the voice of progressive, unionized employers in Canada's construction industry. Our member companies employ more than 25,000 skilled construction workers across Canada, represented primarily by the Christian Labour Association of Canada.

Since our founding in 2000, PCA has worked to ensure fair access to work opportunities for our members

by promoting the legislative framework and industry practices that establish a level playing field for all construction industry participants. Fundamentally, PCA is committed to ensuring that Ontario's construction industry is one that allows for fair and open competition of companies, reflecting various labour models in which no sector is given artificial and unfair advantage over another on the basis of union affiliation or lack thereof.

For the 2013 budget, our organization strongly recommends that the government of Ontario focus on the following priorities:

- continuing to place a strong emphasis on infrastructure spending;

- maximizing taxpayer dollars by creating an environment where all businesses and workers can compete for publicly funded projects;

- promoting the skilled trades to address labour shortages; and

- spurring job creation by reducing unnecessary costs, bureaucracy and red tape that limit new entrants into our workforce.

Let's start by talking about infrastructure spending. Just to put this into context a little bit more, our members—right now, I think we're building about 35 water and waste water treatment plants across the province, except for a handful of major municipalities in the province, that I'll speak to a little bit later.

In other parts of Canada, particularly out west, we're building about 50% of all construction in the Alberta oil sands. About 40% to 50% of all unionized industrial construction in British Columbia is done by our members.

Historically, government spending on infrastructure has been unpredictable, used often as a recession-fighting tool rather than as a stable and constant investment strategy for long-term economic development. There are inherent problems with this approach, namely, the full economic benefit of this type of investment is not being realized, it passes on the costs of rehabilitation and replacement to future generations, and it compromises the health and safety of Ontarians. The end result of this type of approach is a loss of competitiveness and a decreased rate of economic growth.

The province of Ontario has fallen victim to this type of investment approach in the past, which has resulted in the accumulation of a substantial infrastructure deficit, estimated by the Consulting Engineers of Ontario to be in the neighbourhood of \$100 billion, when you combine provincial and municipal infrastructure.

In recent years, the Ontario government has been investing, in unprecedented amounts, into Ontario's infrastructure—and that's welcome—and has started to address the critical situation with our infrastructure. However, we still have a long way to go, and we need to continue to invest in valuable and vital infrastructure across the province.

Our position is supported by the Commission on the Reform of Ontario's Public Services, headed by economist Don Drummond, which was cautious to note that despite the fiscal shape of the province, "Postponing

needed infrastructure projects until after" 2017-18, "a technique governments often use to balance their books in the short term, is no solution," said Mr. Drummond. "The province would simply slip back into deficit later on as it tried to correct an infrastructure deficit."

This point was further underscored in a report released today, I believe, by the TD Bank which identifies infrastructure and gridlock as two of the key challenges facing the GTA.

Investments in infrastructure are necessary for the continuation of basic services and to ensure that we remain competitive. Investments in infrastructure, as you heard from the last presenter, also boost the economy, causing revenue to flow back to government and creating jobs. PCA's members hope the government will take the advice of the experts and industry professionals and continue to invest in our province's infrastructure in a predictable, stable and consistent manner.

But investing in infrastructure is only one piece of the larger infrastructure picture. Another vital piece is ensuring that the dollars that are spent are spent in a competitive and open manner and a fiscally responsible manner that maximizes the value for the crown and for taxpayers.

In our industry, current legislation has allowed for the creation of labour monopolies that exclude workers purely on the basis of union affiliation. Labour monopolies already exist in several municipalities, including Toronto, Hamilton and, potentially soon, in the region of Waterloo, as well as school boards and other public employers throughout the province.

When a public employer, like a municipality, is subject to a labour monopoly, the costs of construction projects can escalate by as much as an estimated 40% and prevent over 70% of the local workers and contractors from participating in those projects. The 40% cost escalation adds no value to the project or for the taxpayer. It is purely an additional expense that is lost due to the lack of competition.

1610

The figures that I've quoted may seem high, but I assure the members of this committee that they are real. The 40% cost-escalation figure comes straight from a staff report composed by the city of Hamilton when it was itself caught in a labour monopoly and has remained so since the mid-2000s.

Further, when the current monopoly threat to the region of Waterloo came to light a few months ago, we did some analysis to see what the impact would be on competition. What we found by looking at the data for water and waste water projects in the region of Waterloo was that if they became subject to a labour monopoly, the number of eligible bidders for these projects would be reduced—just to back up, these are water and waste water projects since the beginning of 2010. It's about \$140 million worth of projects for the region of Waterloo only. Twenty-seven companies pre-qualified for those projects. If this labour monopoly existed, only two of those companies would actually be qualified to bid on those projects. That's over 90% of contractors and work-

ers who actively work on projects in the region being shut out. The independent think tank Cardus also did some analysis and estimated that the cost impact to that municipality would be around \$78 million annually.

For the 90% of contractors and the workers they employ, this issue is about more than statistics. Labour monopolies threaten the jobs and futures of their families. The owner of a large, independently unionized construction company in St. Marys, Ontario, who does a lot of work on infrastructure projects in the region of Waterloo, said that a possible labour monopoly in the region was the worst news that he had received in his company's history, which is over 45 years in business.

The policy that is in place in Ontario that creates these types of labour monopolies boils down to, actually, a loophole in the Ontario Labour Relations Act. The problem is caused when a public employer like a municipality is being forced by the current rules for construction to adopt a province-wide collective agreement if any of their employees are certified by an affiliated construction union. Province-wide collective agreements were put in place for the ICI sector to address the transient nature of traditional construction employers. Municipalities and other employers are not traditional transient construction employers and should not be subject to a provincially negotiated collective agreement that contains restrictive contracting-out clauses creating labour monopolies.

Our position on open and fair tendering is consistent with the Municipal Act and its monopoly clause, which restricts municipalities from voluntarily entering into an agreement which unfairly favours one group over another. This legislative loophole can easily be corrected in the interest of the public. The manner in which we recommend addressing it would protect our tax dollars, create a fair and competitive environment for all workers and contractors, and preserve the right of workers to freely associate with a union should they choose to do so.

This loophole in the existing legislation is unfair, and it's preventing the government and taxpayers from obtaining the value for each dollar spent on infrastructure projects. Accordingly, we are asking the province to make a legislative change in the budget bill that ensures that each contractor that meets the standards set forth by the province or a public employer for bidding on public projects can do so regardless of who their workers have chosen to be represented by.

Along with creating a fair and competitive market for our valuable infrastructure dollars, we also need to ensure that we are supporting and promoting our skilled trades, which will complete this essential work for Ontarians.

The Chair (Mr. Kevin Daniel Flynn): Sean, just so you know, you've got about three minutes left.

Mr. Sean Reid: That's fine. I won't belabour this last point.

The shortage of skilled trades workers is not a new topic for the province, and it's one that decision-makers from all parties have spent a lot of time debating, most recently yesterday in the Legislature.

I think people in this room may be familiar with my position and the position of our association on the

Ontario College of Trades. I'm not here to belabour that point. I would suggest, though, to this committee that we have a labour shortage in construction alone of about 40,000 tradespeople over the next eight years; so says BuildForce, formerly known as the Construction Sector Council.

We actually have a job opportunity in this province. We need to do whatever we can to reduce the barriers—whether they're cost, bureaucracy or red tape—to allow for more people to access job opportunities in the skilled trades. To the extent that we are able to make those adjustments within institutions like the Ontario College of Trades—to reduce the bureaucratic burden, to reduce the tax burden on workers—this will certainly welcome more tradespeople into our industry, and we need to be looking at that.

With that, I think my time is up, and I will be happy to answer any questions.

The Chair (Mr. Kevin Daniel Flynn): That's wonderful. Thank you, Sean. You've left about a minute, and then we go to the rotation. Soo?

Ms. Soo Wong: Mr. Chair, before we recess to go upstairs for the vote, there are a couple of items I spoke of this morning that are not captured in what has been handed out. I want to be on record about—

The Chair (Mr. Kevin Daniel Flynn): Maybe we can look at that during the break, then.

Ms. Soo Wong: Yes, because I talked about the mining tax. It's not here. I alerted the Clerk. I spoke about working with the federal government dealing with the potential strategy dealing with one of the witnesses talking about Molly Maid, and it's not captured here. I just want to be on record that this could be corrected for the Hansard in their final report.

The Chair (Mr. Kevin Daniel Flynn): Thank you very much, and thank you, Sean. We're going to go and vote. That can take anywhere from—

Interjection.

Ms. Soo Wong: You can watch us up there.

The Chair (Mr. Kevin Daniel Flynn): —hopefully no more than five to 15 minutes.

Interjection.

The Chair (Mr. Kevin Daniel Flynn): That's right.

But if you want to make yourself comfortable, we'll come back and we'll end this off. Okay? Thank you. We're recessed.

The committee recessed from 1616 to 1646.

The Chair (Mr. Kevin Daniel Flynn): Okay, we've got somebody here from each party now. We have enough to begin. Thank you for your patience, Sean.

We're going to go through a little question-and-answer period, and we're going to start with the government side. Soo.

Ms. Soo Wong: I just want—because on the agenda, through you, Mr. Chair, to the witness—can you share with us your education background? Because my question, what I'm going to ask—it will determine if I'm going to ask the question. So can you share with us—

Mr. Sean Reid: I can tell you that I'm not an economist. My background is political science and public affairs.

Ms. Soo Wong: Okay. Given your background, I'm not sure you're going to be able to answer my question. I will rest, Mr. Chair. Maybe my colleagues have questions. Thank you.

Mr. Steven Del Duca: No questions.

The Chair (Mr. Kevin Daniel Flynn): Okay. Let's move on to Peter.

Mr. Peter Shurman: Thank you. Sean, thank you for your presentation. I'd just like to know a couple of things. We don't want to keep you long; it's a late afternoon for us and for you. First of all, is the lack of consistent spending on infrastructure which you described for us, in your mind, a chief factor in the difficulties that we find ourselves in in Ontario now, from a budget perspective?

Mr. Sean Reid: Without question. There is a need for long-term, predictable funding, both from a planning standpoint—as well, frankly, from the supplier side, in terms of understanding what the needs would be on the labour side.

I would also just add to that that as much as long-term or consistent, stable funding is required—also taking every measure to ensure that the most cost-effective use of that money is also taken into account and that that money is not overspent by unnecessary monopoly, as I addressed in my presentation.

Mr. Peter Shurman: Okay. You mentioned briefly gridlock, and gridlock of course lends itself to the discussion of infrastructure, because if you unlock gridlock, then you have to spend money on infrastructure, obviously. Are you familiar with the term the Big Move?

Mr. Sean Reid: No.

Mr. Peter Shurman: The Big Move is the Metrolinx plan that takes us 25 years into the future and spends \$50 billion, and there's a list of projects as long as your arm—that's fine.

Are you familiar, then, with the discussion around a build-out of new measures to address gridlock in the greater Toronto area?

Mr. Sean Reid: I'm certainly not an expert on the specifics of this—

Mr. Peter Shurman: Then we'll move on.

Let me talk to you for a minute about labour monopolies, which you raised. You mentioned a figure of 40% as the overage cost—these are my words but I want to be sure that we're on the same page—for building projects or construction projects that come under the labour monopolies versus what would happen if there were a more open system.

Could you elaborate a little bit on what you mean and what you would recommend?

Mr. Sean Reid: In the municipality of Hamilton, in the city of Toronto, potentially in the region of Waterloo, at Ontario Power Generation, at Hydro One, there exist monopolies whereby only contractors affiliated with particular labour affiliations are able to bid on those pro-

jects. In the case of Hamilton, only contractors affiliated with the carpenters' union are able to bid on most ICI infrastructure projects. As a result, for example, in water and waste water, where our members have a particular expertise, bid lists that once maybe had 12 companies or, in the case of Waterloo, had 27 companies, are shrunk down to two or three bidders. It doesn't take a rocket scientist to know that that lack of competition inflates the costs. In fact, the city of Hamilton itself identified that those costs, especially on the complex, larger industrial projects, infrastructure projects, can be inflated as much as 40%.

What can be done and what should be done—I should say, there have been attempts or proposals in the past about addressing this. Most of those are what I would consider to be kind of, frankly, anti-union and the atomic bomb of solutions in some way. There are measures for essentially saying that these institutions are public employers; they're not construction companies. That does not preclude workers who are in-house at those institutions from affiliating with the union of their choice.

What we would simply do is make an amendment within the Labour Relations Act that would close the loophole and simply say that those institutions must negotiate directly with the union with which their workers are affiliated, not within these provincial collective agreements that exist in construction that have these restrictive tendering clauses. I don't want to belabour the technicalities of the Labour Relations Act, but what happens is that these municipalities end up being subject to agreements that they don't have any meaningful input into, and those agreements contain these restrictions on contracting.

Mr. Peter Shurman: Thank you very much.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Peter.

Catherine? Michael?

Ms. Catherine Fife: Thank you very much. The two other presenters who have come here this afternoon have given us some advice on addressing the deficit and about revenue streams and about generating and inspiring the economy.

I was wondering what your opinion is on the southwestern development fund and how the Liberal plan has—if it's been effective in any way, shape or form in stimulating the economy. Are you familiar with the southwestern—

Mr. Sean Reid: I don't have a particular opinion on the southwestern development fund.

Ms. Catherine Fife: You don't know—

Mr. Sean Reid: No, sorry.

Ms. Catherine Fife: Okay. Thank you.

Mr. Michael Prue: I heard your answer to my colleague Soo Wong that you don't have any real economic expertise or education around the issue, but does your

organization have any opinion on economic stimulus or on immigration levels or of the other things that we've heard today?

Mr. Sean Reid: Sure, yes. We are a construction association, so we certainly have an understanding of the need for long-term strategic infrastructure. I'd be curious to know what your specific questions are around immigration. We certainly have some thoughts on that as well.

Mr. Michael Prue: The first deputant—I don't think you saw him—was talking about the explosion of temporary foreign workers in Ontario having gone up, really quite an increase in the last year, an extra 25,000 people working in all kinds of manners of sites, including construction sites. Does your organization have any input on that?

Mr. Sean Reid: Absolutely. There is no question in our mind that there are companies, not only in Ontario but also across the country, that default immediately from, "I can't find the workers here in my local area" to temporary foreign worker solutions. We actually believe and are of the view that addressing the labour shortages in our industry and the job opportunities required is a three-pronged approach. We don't believe that there will ever be a situation whereby there will never be temporary foreign workers. There will be specialized requirements, particularly on high-labour-intensive projects. However, we don't believe that we have done enough yet to spur local development of trades workers in our area, and done even less on mobility of workers either within this province or from other parts of the country, reducing the barriers and reducing the stigma associated with mobile work in the trades. We think that's an area that we'd like to see some advancement in.

Mr. Michael Prue: So your organization would be, I think, somewhat opposed to the way that the Royal Bank has recently dealt with the importing of foreign workers to displace Canadian ones?

Mr. Sean Reid: We have no opinion on the Royal Bank specifically. I would say that, as a rule in the construction industry, it is true that some companies have too quickly defaulted to the temporary foreign worker option without adequately looking at other areas for mobility and for development of trades workers locally.

Mr. Michael Prue: Okay. Thank you very much.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Michael, and thank you, Sean, for being here today. Thank you for your patience and waiting.

Mr. Sean Reid: No problem.

The Chair (Mr. Kevin Daniel Flynn): We appreciate it.

That's it. Any other business of the committee? If none, all those in favour—well, we're adjourning; I'm not even asking. We're adjourned.

The committee adjourned at 1657.

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Friday 7 June 2013

Journal des débats (Hansard)

Vendredi 7 juin 2013

Standing Committee on Finance and Economic Affairs

**Prosperous and Fair Ontario Act
(Budget Measures), 2013**

Comité permanent des finances et des affaires économiques

**Loi de 2013 pour un Ontario
prospère et équitable
(mesures budgétaires)**



Chair: Kevin Daniel Flynn
Clerk: Katch Koch

Président : Kevin Daniel Flynn
Greffier : Katch Koch

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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRSCOMITÉ PERMANENT DES FINANCES
ET DES AFFAIRES ÉCONOMIQUES

Friday 7 June 2013

Vendredi 7 juin 2013

The committee met at 0903 in room 151.

The Chair (Mr. Kevin Daniel Flynn): Okay, ladies and gentlemen, if we can take our seats and call the meeting of the Standing Committee on Finance and Economic Affairs to order.

SUBCOMMITTEE REPORT

The Chair (Mr. Kevin Daniel Flynn): Our first order of business is going to be a report of the subcommittee, and then I'm anticipating an amendment to that to establish a deadline for requests to appear.

Mr. Prue.

Mr. Michael Prue: Your subcommittee met on Wednesday, June 5, 2013, to consider the method of proceeding on Bill 65, An Act to implement Budget measures and to enact and amend various Acts, and recommends the following:

(1) That pursuant to the order of the House dated Wednesday, June 5, 2013, the committee meets from 9 a.m. to noon and from 1 p.m. to 6 p.m. on Friday, June 7, 2013, to conduct public hearings, subject to witness demand.

(2) That the Clerk of the committee post information regarding public hearings on Bill 65 on the Ontario parliamentary channel, the committee's website and on the Canada NewsWire.

(3) That witnesses be scheduled on a first-come, first-served basis.

(4) That all witnesses be offered 10 minutes for their presentation and five minutes for questioning from the members of the committee, and that questioning be done on a rotational basis by caucus.

(5) That pursuant to the order of the House, the deadline for written submissions on Bill 65 be 6 p.m. on Friday, June 7, 2013.

(6) That pursuant to the order of the House, amendments must be filed with the Clerk of the Committee by 5 p.m. on Saturday, June 8, 2013.

(7) That pursuant to the order of the House, the committee meet for clause-by-clause consideration of Bill 65 on Monday, June 10, 2013, from 9 a.m. to noon and from 1 p.m. to 5 p.m.

(8) That the Clerk of the Committee, in consultation with the Chair, be authorized prior to the adoption of the report of the subcommittee to commence making any

preliminary arrangements necessary to facilitate the committee's proceedings.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Mr. Prue. Any speakers? Dipika?

Ms. Dipika Damerla: Chair, I'd like to move an amendment to the subcommittee report.

I move that the report of the subcommittee be amended by adding the following:

"(3.1) That the deadline for requests to appear be 9 a.m. on June 7, 2013."

The Chair (Mr. Kevin Daniel Flynn): Thank you. There's an amendment on the floor. Any speakers to the amendment establishing—Peter. I'm sorry; I didn't realize you—

Mr. Peter Shurman: I just want to commend the member on making that amendment. I think it's a good one; I support it.

The Chair (Mr. Kevin Daniel Flynn): We're all getting along so far. It's almost 10 after 9 and we're still getting along.

All those in favour of the amendment? Those opposed? That amendment is carried.

Any speakers to the main motion, as amended?

All those in favour? All those opposed? That is also carried.

PROSPEROUS AND FAIR ONTARIO ACT
(BUDGET MEASURES), 2013LOI DE 2013 POUR UN ONTARIO
PROSPÈRE ET ÉQUITABLE
(MESURES BUDGÉTAIRES)

Consideration of the following bill:

Bill 65, An Act to implement Budget measures and to enact and amend various Acts / Projet de loi 65, Loi visant à mettre en œuvre les mesures budgétaires et à édicter et à modifier diverses lois.

ONTARIO NONPROFIT NETWORK

The Chair (Mr. Kevin Daniel Flynn): Let's move on now to the first delegation this morning, the Ontario Nonprofit Network. If you would like to come forward and make yourselves comfortable, and identify yourselves for Hansard so they know which one of you is speaking when. Perhaps you should introduce yourselves

because we were anticipating hearing perhaps from four people today.

The floor is all yours. You've got 10 minutes. I'll let you know when you're getting close to the end, and then your questions today will come from the Conservative Party.

Ms. Lynn Eakin: Thank you very much, Mr. Chairman. I'd like to introduce myself. I'm Lynn Eakin, and this is my colleague Heather Laird.

Thank you very much for allowing us to speak today. We're very pleased, and we'd like to talk with you about how the non-profit sector can help the government make Ontario a prosperous and fair Ontario.

First, let me briefly describe our sector and why our participation in building Ontario matters so much. We're 46,000 organizations strong; five million volunteers. Virtually all of you in this room have been involved with disability groups or daycare, all of the kinds of activities that our members are involved with. We have over 600,000 employees, and that's not the hospital and university and community college sectors. Those are people in your local communities working, providing soccer programs and things like that—7.5% of your province's workforce. Our revenue is very diversified: 43% of our revenues come from earned income with only 36% of government. A lot of people think that we're nothing but a government handout, and that's not the case.

We're very active. We provide recreation and sports services. Arts and culture services are largely non-profits—social services, of course, that you're familiar with: newcomers, disability groups, community health. We're the backbone of what makes communities strong, particularly when things are hard in Ontario.

Ms. Heather Laird: The Ontario Nonprofit Network itself was organized in 2007. This sector has been getting organized through this mechanism and now has a reach of over 42,000 folks across the province. In particular, the network has about 300 leadership volunteers from different communities, all the way up north through Thunder Bay and even further north, and all the way down south to Windsor. Through this organizing, we provide public benefit across the province and work to strengthen the work of the non-profit sector. In that context, in particular, it's been wonderful to be increasingly strong in our partnerships and collaboration with the government of Ontario.

0910

Just to highlight a few of the things that we've been involved with on that front: Open for Business and the Partnership Project are two partnering initiatives to advance mutual issues of concern for the government and the Ontario non-profit sector. A couple of other issues include the human capital renewal strategy, which is to focus on employment in the sector. We employ 7.5% of the province's employees and that's to focus particularly on the sector's role as often a first employer employing young people or others who may be difficult to employ, and engaging them in contributing to the province. The

rural social enterprise initiative we're involved in is another point where we're working with local communities to build up industry that supports their development over time.

Finally, the Ontario Not-for-Profit Corporations Act is the foundation of the sector's ability to get its work done in communities, and that's a critical issue that we've been working with the government on as well.

Ms. Lynn Eakin: To build a stronger Ontario requires a strong non-profit sector. One of the things we need is the enabling environment for social enterprise. We work in communities—and of course our organizations come from the community and belong to the communities, in that anything that we generate goes to increasing the mission. So if you're able to expand your soccer program, you do. If you can increase the number of young people that you're employing in internship programs, you do so. So it's very important that we have enabling conditions for social enterprise where you've got the double bottom line: employment and social good.

The other thing we need, or that we want to work with, is that we have a lot of innovative ideas and ways that we could partner with the government to build a better Ontario. One of these is the Unclaimed Intangible Property Program. Those are the monies that are unclaimed and can't be returned to people who have disappeared, or if they can't find the relatives if somebody's died.

In Vancouver, BC, they have a program where the Vancouver Foundation manages those funds, returns as many as they can to the people and puts the rest out into communities to support and strengthen local communities. We think this is a really exciting idea for Ontario.

Then, lastly, we really want to work with the government around streamlining and simplifying the partnership relationship we have for delivering services in communities. We think there's economic gains for both sides on that issue.

Ms. Heather Laird: We'd like to draw your attention to some opportunities in the budget bill where the non-profit sector might be of assistance in working with the government to grow towards a fair and prosperous Ontario.

The first is the not-for-profit sector's participation on a panel to develop a new Jobs and Prosperity Fund. The Ontario Nonprofit Network did submit to the Jobs and Prosperity Council, as well as the Commission on the Reform of Ontario's Public Services. Those solutions could provide a foundation to move forward, and certainly having the non-profit sector at the table in discussing those issues we feel is of critical importance and could be of great assistance to the government moving forward.

The second is a robust not-for-profit sector consultation on integrating training and employment services, especially affecting social assistance recipients and the Youth Job Strategy. There can be a number of unintended consequences in making those kinds of procedural shifts. The not-for-profit sector has many experts

on the ground in communities, and ensuring that there's fair inclusion in prosperity is critical. In addition, the inclusion of the non-profit sector in these kinds of consultations and decisions can ensure that there are no unintended consequences or negative impacts on the government's budget or the outcomes that everyone is hoping to achieve through such programs.

Thirdly, the not-for-profit participation in the advisory panel reviewing the minimum wage in Ontario—again, being rooted in communities, we hope there's a chance to partner with government more deeply moving forward on that front.

Finally, not-for-profit sector engagement with the Transfer Payment Accountability Productivity Team to advance efficient and effective investment relationships and outcomes. This, we see as a real win-win-win for the sector, for the government and for the communities that we both serve. It's a chance to advance work in communities and shift money that might go into duplicate forms or procedures that can be spent on both government and sector partners doing direct work to support our communities moving forward.

Ms. Lynn Eakin: Just in summary, what we'd really like to emphasize is that our sector is a sector that has common values with government and common values with business. We provide those other services that make communities alive and well and healthy, and ensure that people aren't left behind. We'd like to make sure that we're at the table when decisions are being made because we have a slightly different perspective from both government and business, and together, we think we can make a stronger Ontario.

Ms. Heather Laird: Thank you.

The Chair (Mr. Kevin Daniel Flynn): That's great. Thank you, Lynn. Thank you, Heather.

Peter, are you kicking off?

Mr. Peter Shurman: Lynn and Heather, thank you very much for your appearance. Interesting presentation; we have no questions.

The Chair (Mr. Kevin Daniel Flynn): Thank you very much for coming today.

ACROBAT RESULTS MARKETING LTD.

The Chair (Mr. Kevin Daniel Flynn): We can move on to our next delegation of the day. That's Acrobat Results Marketing Ltd.; Tim Sinke, president. Please make yourself comfortable. You saw the first delegation, so you understand the rules. You've got 10 minutes. Use that any way you see fit. I'll let you know when you're getting close to the end and then we'll leave, if we can, about five minutes for questions. They'll come from the NDP this time. The floor is all yours. Thank you for coming.

Mr. Tim Sinke: Thank you. My name is Tim Sinke. I'm here as the president of Acrobat Results Marketing, a company that has business in Sudbury, Ontario, and Thornhill, Ontario.

I want to say, first, thank you for the opportunity to be here. I know this is probably the beginning of a pretty long day for all of you here, so I won't take too much time. I appreciate you hearing me.

I'll tell you a little bit today about what we do. I'm here to talk about the Ontario apprenticeship program and the Apprenticeship Training Tax Credit. I want to tell you about how we use that program, our track record in it, the potential effects of discontinuing that program and, probably most important, suggestions on ways to improve that program to help deliver better value to the citizens of Ontario.

Just by way of background, Acrobat Results Marketing was formed here in Ontario in 1994. We have employed hundreds of people across Ontario over the years. Currently, we have about 250 employees in Sudbury and Thornhill, as I mentioned, and we're currently in discussions to acquire another Ontario company, so we're looking to expand.

Our business is IT research, so our folks place outbound calls through our contact centre to organizations where there are senior-level IT managers, IT decision-makers, CIOs and so on, not only in North America but around the world. Their expertise is in using the contact centre environment to procure information from these people that our clients are interested in receiving.

We partner with a number of governmental organizations at federal, provincial and municipal levels in order to staff our company. These include HRSDC for under-employed or unemployed people and Employment Ontario, Thornhill hub. We're proud to also work closely with TRIEC, placing immigrants in our call centres and using the advantage that we have here in Thornhill and Toronto to call around the world with a unique set of immigrant skill sets.

In 2008-09, we experienced the recession, along with everybody else, and we realized that in order for us to be a stronger company, we needed to have a distinct advantage, and one of those advantages that we were able to procure was becoming a sponsor of the Ontario apprenticeship program. This allows us to use trade codes 634a, d and e to provide training to our people above and beyond what we would normally be able to offer ourselves as a small company.

We purchase the training for those people at colleges. They go through the program. They immediately have information that's germane to their everyday job, and at the end of it become certified. This allows us to market our company as a certified provider of our services and distinguish us to the rest of our competitors.

We follow the ministry training guidelines to the letter and to the timelines that the ministry sets out, which is about two to four years—in that range—to graduate an apprentice. There's a combination of in-class and on-the-job learning required. Not only does this allow us to offer wage increases, it allows us to become a more competitive company. We produce better jobs, we produce higher wages and we're a partner in producing a higher-educated workforce.

0920

Our track record in this area is very good. I understand from some discussions with some members of this committee that there are concerns about the value that the government is getting out of the existing program in relation to graduation and completion rates among apprentices. That's one of the reasons why these three codes were targeted.

It's my understanding that the overall graduation rate among comparable apprenticeship codes is 11% and that the IT codes that we are talking about here are at 10%, so that's hardly a drastic difference. I suspect that, on the other hand, there's a very high payout required for these IT codes, and that's probably creating a fair amount of budget pressure.

Our track record is quite strong. We're currently sitting at a 13% graduation rate. We will be at 31% at the end of this year, at 46% at the end of 2014 and at 78% at the end of 2015. We need the two-to-four-year window to graduate people through the program, so taking a measure of it at this time will obviously show low graduation rates. Our supervisors are the ones who are on an accelerated learning curve through the program.

Our concern with the budget is targeting just these three trade codes. This will have a very chilling effect on our industry in Ontario. There are literally thousands of jobs in this sector. About 35% of my company's workforce is earmarked as apprentices, but this would threaten 100% of the jobs that we put out in Ontario. We want to make sure that we are a competitive company, and we feel a lot of pressure from different jurisdictions that are recruiting and targeting us in order to place jobs in their particular regions.

We want to stay in Ontario. This is where our roots are, this is where all of our expertise is, but we rely on the program to help us do that. I don't think it's a good message to send out that high-tech jobs are particularly targeted, and I think it would be a strong message to say that future investment in Ontario is supported through this initiative.

Most importantly, I think we'd probably all agree that there's a better way to deliver value through the program, and to potentially limit the cost of the program, as well. I think before, with a simple line in the budget, the program is eliminated, we would appreciate more consultation and analysis to understand how the program is used and the costs associated versus the value that it delivers.

I think we can demonstrate job training and job creation through it. I've already mentioned that there are low completion rates, but that's also due to the fact that we're midstream in the program. I think that if you give it a bit more time, you'll see that the program can deliver graduates and increase training, job opportunities and wages for Ontarians.

I think the other thing that it would be wise to consider would be to examine the payouts for these three trade codes. My suspicion is that the payouts are skewed very heavily to large-scale companies with very large workforces, which is driving into multi-millions of dollars the

payouts that are associated with these trade codes. For small companies and medium companies such as mine, we really don't have the ability to absorb some of these costs as much as a large company would. Potentially limiting the three trade codes to companies with annual payrolls of \$20 million or less would be able to achieve the government's goal as well, without losing the entire program.

Finally, our view is that the program doesn't have very good reporting and compliance measures built into it. We take the initiative to do those measures ourselves, and we can report easily on our progress and graduation rates, but I think it would be wise if we saw more teeth put into reporting and compliance components, including potentially moving more to a pay-for-performance idea in the sense that the payout would be at the end of graduations as opposed to ongoing throughout the program.

Overall, I think, I'm here to ask you to please reconsider this particular line item in the budget, and to potentially partner with the government to help deliver higher value to Ontarians.

The Chair (Mr. Kevin Daniel Flynn): That's great, Tim. Thank you very much for your presentation. Michael or Cindy?

Mr. Michael Prue: Yes, I have a couple of questions. The first one is this: Part of the problem, as I understand it—and I'm on the opposition side—that the government is looking at is that these funds were being made available to probationary employees in companies, a great many people who were still in their probationary period. The company had not made any attempt to make them permanent staff but was sending them off to training, partially at government expense, and then deciding at the end of the probationary period that they weren't necessary. That cost government money.

You didn't talk anything about that. Can you tell me: If we eliminated that aspect, would that perhaps assuage some fears?

Mr. Tim Sinke: It may. That's not our practice as a company. We pay for the training; we pay for the college courses of our employees. We do not enrol anyone who has not passed their probationary period. These are people who are full time on our rolls, and we pay for their coursework. We have no interest in, obviously, investing when somebody is on a probationary period as well.

Mr. Michael Prue: Okay, but there are companies that do that.

Mr. Tim Sinke: Correct.

Mr. Michael Prue: Okay. The second thing: In my discussions with some people, there seems to be a fundamental difference in the professional courses that are being taken, those that are in IT-type industries, even though they may have call centres, and those which are strictly call centres. It would seem, as well, that the IT industry would require more long-term commitments and internships than someone trained to phone. Would you think that there's a difference? Should the government be separating these two out or looking at just funding IT

centres as opposed to call centres, or are they all so linked that it's all or nothing?

Mr. Tim Sinke: In our case, I can speak that they are linked. Our people need to have IT knowledge as well as strong contact-centre skills for the nature of the work that we do. The particular job codes that we're approved for—my understanding is, a committee was struck and put together not only the qualifications for those job codes but also the coursework related to those job codes, and that's what we follow. We don't have very much influence over that. That would probably redirect over to MTCU, which sets the standards, as I understand, and relies on some industry groups that help provide that information.

In our case, we use both IT knowledge and contact centre knowledge. In that sense, that's why we adopted the training standards provided by the program: because it was a good fit for us.

Mr. Michael Prue: The last question I have—perhaps my colleague has some more: In some programs outside of your particular sector, monies do not flow to apprentices or apprenticeship programs until they have been in them for a while—three to six months, and then the monies start to flow. In this particular program, I understand that the money flows almost immediately. That also causes the government some considerable grief because of the dropout rate. Would your industry also consider—the government wants to think about this—putting a time period: Three to six months after the course or courses start is when the money flows, not immediately?

Mr. Tim Sinke: Absolutely. The answer is yes to that. We feel that there should be tighter guidelines and provisions around the money flowing out and, again, more pay-for-performance than historically has been there. But I think what's in the budget right now is throwing out the baby with the bathwater. I think we can find a way to deliver the objectives of the program at a lesser rate and base it more on graduation and completion as opposed to simply being enrolled in the program.

Mr. Michael Prue: Okay, so you're willing to be totally flexible on this and you're just asking the government to be a little flexible too.

Mr. Tim Sinke: That's correct.

Mr. Michael Prue: Okay. Thank you.

The Chair (Mr. Kevin Daniel Flynn): Anything, Cindy?

Ms. Cindy Forster: No.

The Chair (Mr. Kevin Daniel Flynn): You've still got about two minutes left. Are you good?

Mr. Michael Prue: Thank you so much.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Tim. Thank you very much for coming.

Mr. Tim Sinke: Thank you. Have a good day.

The Chair (Mr. Kevin Daniel Flynn): You too.

PERLY CONSULTING GROUP INC.

The Chair (Mr. Kevin Daniel Flynn): Okay, committee, our next delegation this morning is Perly Consulting: Doug Murless and Mark Fullerton, if you gentlemen would like to make yourselves comfortable.

Mr. Mark Fullerton: Thank you very much.

The Chair (Mr. Kevin Daniel Flynn): You were here for that delegation, so you know what the rules are: You get 10 minutes. Use that any way you see fit. If we have any time left over, the questioning will come from the Liberal Party this time.

0930

Mr. Mark Fullerton: On short notice, thanks very much for the opportunity to come and talk to you today. Just as a way of introduction, my name is Mark Fullerton. I'm a senior partner at Perly Fullerton. This is Doug Murless. He's a vice-president.

On the heels of the previous presentation, we help companies connect with government stimulus. So we work with companies like you just saw to implement the program. We're here specifically to talk about the apprenticeship tax credit and the three trade codes that were just mentioned.

Why do we care? Do you guys want to know why we're sitting in front of you today? The reason is we work with these companies at the ground level. We've seen these companies take advantage of the program, and it actually works. It helps to keep and attract highly skilled talent in Ontario, it helps companies justify how they can expand their head count and it helps companies relocate jobs to Ontario; so when you're looking, these jobs are portable. It's not just the apprenticeship jobs that we're talking about, but it's all the jobs and careers that go with that organization that are getting located here in Ontario.

Just to direct your attention to the stat, the ICTC suggests that there's going to be more than 106,000 new ICTC positions, which is clearly related to this industry. We have a youth unemployment issue, and these programs are fantastic programs to bring people in, train them and give them careers here in Ontario. It's a fantastic opportunity for the province, we feel.

Addressing the issue, we should commend the government for addressing some issues that have been ongoing with this program. To steal a bit of the commentary, we feel as though there can be changes made to this program. There's a fantastic opportunity for Ontario to benefit from it, but we can't throw the baby out with the bathwater. So let's quickly address the low apprenticeship completion rates and the overall program cost.

The companies that we work with are generally in the IT sector. In these sectors, this program actually works very well. Completion rates, as was suggested by the previous speaker, are typically very high. Our experience with our clients is it's closer to an 80% completion rate. Part of that is because people do actually graduate and move up into other positions, and then they're no longer allowed to continue with the training. We feel that that

could also be a suggestion, and we'll talk about our suggestions at the end.

Doug, did you want to talk quickly about—

Mr. Doug Murless: I can give you an example. We work with a cloud-based software company located in the Yonge and Sheppard area. To Tim's point, I think one of the challenges with the current situation of the program and the perceived low graduation rate is just the length of term.

We look at this client that we started with about two and a half years ago in our first wave of apprentices for 28 people. We've graduated 17 of the 28 to date, and six of those people are no longer in the program because they were promoted within that time frame into roles that no longer qualified for an Apprenticeship Training Tax Credit. So we're really looking at a pool of 23 of 28, which kind of gets us into an 82% graduation. And this is a dynamic company that's typically doubling their head count every couple of years. They were voted by Deloitte as one of Canada's best-managed companies. It's a great entity to have in Ontario, and one that is utilizing the tax credit to continue to keep the jobs locally, when a lot of these jobs, as Mark indicated, are portable. That's just one point we wanted to give you an example of, there.

Mr. Mark Fullerton: The second point that's been brought up is the overall cost of this program. Respectfully, there is a \$43-million hit on the budget; you see that in your line item. The one thing to consider, I think, with this program is all of the other jobs that come with it. The client that Doug was talking about has 66 apprentices. There are 280 people in that organization. If you take the corporate income tax—I wrote down these figures, and I apologize; we were just made aware of this meeting yesterday at around 11:30—they're currently paying about \$581,000 in corporate tax. The average personal tax totals about \$777,000. So there's actually a \$1.35-million revenue to the province—these are provincial revenue figures that I'm talking about—and the cost to administer that program from the province is \$660,000. So you actually have a net surplus of approximately \$700,000.

When considering the program costs, and we'll talk about ways to potentially mitigate the risk and lower the costs, you absolutely need to keep that revenue pool here—"keep that revenue pool here" meaning you need companies like the one that just spoke to be located here in Ontario, generating those tax dollars.

We talk about these companies, and most of the companies that we work with are actually high-growth companies, so they're continuing to add to their workforce. One of the clients we're working with, NetSuite, actually wants to quadruple their workforce here in Ontario. So as this program is positive and giving the benefits that it is, employment is actually rising.

Mr. Doug Murless: If I could just add to that, a little interesting story: NetSuite is located out near the airport in Mississauga. James Dantow is the general manager there, and he lobbied their US California home office to relocate these jobs from the Philippines. One of the

challenges in the Philippines they had was it's really tier 1 helpdesk, complicated questions, and it wasn't necessarily meeting the requirements of that market to fill these calls, so to speak. So he actually was able to lobby California to bring these jobs here.

Reuben, who manages that area of the department, tells us it's going to grow to 28 jobs that are relocated in Ontario, primarily now because of the Apprenticeship Training Tax Credit. That was, like, line item number one. It's the training that they can give the people. They've hired nine people so far. I've seen the empty desks; the rest are going to be filled. They are generally excited about using the Apprenticeship Training Tax Credit to bring these jobs to Ontario and build out their Canadian team. NetSuite is, again, a leading company in their sector, so I think that's an exciting story for the program as well.

Mr. Mark Fullerton: I'd like to get to our recommendations and then summarize because I know we are on a tight timeline—two minutes, so pitter-patter.

There are a few things that I think we could do to make this a successful program for the province.

First, reduce the tax credit eligibility to a maximum of two years per apprentice and put a cap of a maximum of 4,000 hours on the program. Clearly, if there are part-time workers, they could take longer, but there's a maximum there, so you're mitigating your risk.

Introduce new program eligibility criteria. To Mr. Prue's point, these employees should be with the company for at least half the probationary period, and these people should be valid candidates to have careers within the corporation.

Introduce new reporting requirements. I think transparency is absolutely required. Perhaps a quarterly status of each apprentice could be provided to the MTCU training consultants.

You could also change the mix of the potential funding the sponsor is given. An example we gave here is 25% of the wages in year one. So rather than \$10,000 and that accruing immediately, it would be up to a maximum of \$7,000, year two would be \$9,000, and then provide a bonus to the sponsor of \$5,000 on completion.

The other piece to this is I think you want corporations that are clearly investing in education and the workforce of Ontario. I feel there is absolutely no reason why you couldn't eliminate sponsors of the program that cannot achieve a completion rate of, say, 50% or whatever number you wanted to put on that.

Mr. Doug Murless: You could tier that, I think, as we heard from a prior speaker. He believes he's going to get to 74%. Again, I think it's just a matter of the flow of the apprentices into the program and out of the program.

Mr. Mark Fullerton: The last one is that if you're concerned about more dollars flowing out than flowing in, just change it from a refundable tax credit to a non-refundable tax credit. I presume everybody understands that. A refundable tax credit is where if there are no taxes owing, a cheque is written. A tax credit minimizes or reduces their tax and offsets it.

The conclusion is, we feel this is an amazing program. We think that it actually addresses youth unemployment. We believe it supports an innovative digital economy. Overall, we believe it's a revenue source for the province, so again, we'd like you to keep it.

The Chair (Mr. Kevin Daniel Flynn): Okay. Thank you. That was pretty concise.

Doug and Mark, thank you. We're going to have questions from the Liberal Party. Steven.

Mr. Steven Del Duca: Thank you very much for being here this morning with your presentation. I have one question and I believe my colleague will have some more.

0940

This is not one of those times when I'm asking a question that I know the answer to. I actually genuinely don't know the answer, so I do want to ask, just out of curiosity. Though I've only been here for nine months as an MPP, my recollection is that in budget 2012, last year, there was a relatively clear signal that the government would be examining this particular tax credit, generally speaking, and looking at the effectiveness and efficiency of the tax credit itself.

I'm just curious. I see a lot of recommendations here, and I've listened to your presentation. I'm just wondering, over the last 12 months, if the industry did reach out, did do some proactive work, giving suggestions to the government around how the program—the tax credit—might be reshaped to become more effective. It's more for my curiosity than anything else. Or is this mostly a response to what's in budget 2013?

Mr. Mark Fullerton: Yes, absolutely. One of the challenges is that at the MTCU and the College of Trades there is actually no representation for these trade codes. We were speaking with the MTCU directly about how this program was being applied and suggestions on how to make it better. We feel as though we have very high integrity; we don't actually let people in if they haven't been with the company past their probation period. That's just a standard that we've imposed. Those types of things were being communicated, clearly not to this level, though, it appears.

Mr. Doug Murless: We were not consulted directly for any feedback ourselves, nor were, to our knowledge, any of our clients ever called and asked for any feedback to be direct.

Mr. Steven Del Duca: Okay. I get that point, but then there was no proactive outreach to government to say, "We understand that there may be concerns about what our clients are doing, so here are some ideas, proactively, about how you can reshape this tax credit to maybe save a little bit of money, and also apply it more effectively." That didn't occur.

Mr. Doug Murless: That's fair.

Mr. Mark Fullerton: You are correct, yes.

Mr. Steven Del Duca: And when you mention the College of Trades, that you have no representation there, just out of curiosity, what do you mean by "no representation" at the College of Trades?

Mr. Mark Fullerton: Meaning that the seats that govern that—so each trade code has a seat—

Mr. Doug Murless: A board.

Mr. Mark Fullerton: Yes, it's a board, and there's no—

Mr. Steven Del Duca: Each trade code doesn't have a seat at the College of Trades.

Mr. Mark Fullerton: Okay, not each one—

Mr. Steven Del Duca: There are only about 10 people on the College of Trades board of governors, and there are 150 skilled trades in Ontario.

Mr. Doug Murless: Yes, but our understanding is that in the IT component, those that would represent the five IT trade codes, there's not any representation. There's no one that's been appointed.

Mr. Steven Del Duca: So there's no trade board, specifically, within the structure for these IT codes?

Mr. Doug Murless: The seats are all vacant.

Mr. Steven Del Duca: Okay. Thank you.

The Chair (Mr. Kevin Daniel Flynn): Okay, we've got about two minutes.

Ms. Dipika Damerla: Two minutes? Okay. Thank you so much for the presentation. I like the fact that you have some recommendations, and really, your recommendations speak to the fact that there was a problem. The government was right in saying that the current model isn't working, because your recommendations acknowledge that, so we appreciate that.

I'm just curious, though: What would you say to a tax credit where it's given on completion instead of giving one during the training? I'm curious what your thoughts are on that.

Mr. Doug Murless: Can I take that?

Mr. Mark Fullerton: Sure.

Mr. Doug Murless: I think, with our prior speaker, we're okay with changing the mix of funding. When working with the MTCU, if we isolate those six people who got promoted within the organization and basically taken out of the tax credit program, our concern is, are you going to impact those people in the apprenticeship program? Because the employer's going to go, "Well, I'm going to wait until Doug is six more months in," or something, right?

Ms. Dipika Damerla: Maybe we'd give a pro-rated one. We're going to design it well.

Mr. Doug Murless: Yes, if you design it well, I think it's okay.

Ms. Dipika Damerla: That's something that you can deal with?

Mr. Doug Murless: Yes.

Ms. Dipika Damerla: But the bigger question, I think, is that apprenticeship is really about the training, but the sense I've gotten is that the industry wouldn't be competitive without the subsidy. I just wanted your feedback on that.

Mr. Mark Fullerton: Well, I don't know that that's necessarily the case. I think that Ontario has skilled labour, but as we had mentioned before, there is going to

be a shortage, and we need to be training more people in this area.

Ms. Dipika Damerla: So even if the subsidy wasn't there, the industry would continue to be competitive in Ontario?

Mr. Mark Fullerton: I think you're going to lose a lot of companies. A lot of companies will relocate.

Ms. Dipika Damerla: I'm trying to make that distinction. Is this really a cost pressure you have as an industry? This is part of helping you with your subsidies, another way of using—

Mr. Mark Fullerton: The answer is absolutely, yes. Companies like NetSuite, and we've been in conversation with Salesforce: They're looking at Ontario, and this tax credit is the major reason why they're looking to locate their whole organization here.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Doug. Thank you, Mark. Thank you for being here today.

Mr. Doug Murless: Thank you, everyone, for your time today.

Mr. Mark Fullerton: Thanks.

The Chair (Mr. Kevin Daniel Flynn): Great presentation.

CAA SOUTH CENTRAL ONTARIO

The Chair (Mr. Kevin Daniel Flynn): Our next delegation, CUPE, has declined this morning, so I'm going to call the next one, which is the Canadian Automobile Association. Elliott, if you'd like to come forward. I'm sure you wouldn't mind getting out of here earlier, would you?

Interjections.

The Chair (Mr. Kevin Daniel Flynn): The Fred Hahn-Peter Shurman rematch.

Elliott, you've been here before. You know the rules. You get 10 minutes. Use that any way you see fit. At the end of that we'll leave about five minutes for questions, and they'll come from Peter or Rob this time.

Mr. Elliott Silverstein: Perfect. Thank you. Good morning, Mr. Chair and members of the standing committee. My name is Elliott Silverstein and I'm manager of government relations with CAA South Central Ontario. I want to thank you for the opportunity to speak before the committee here today.

CAA is a national not-for-profit auto club and has been advocating for our members since 1903. Currently, our organization has 5.8 million members across nine clubs throughout the country.

Advocacy is at the origin of our existence. Some examples include lobbying for the construction of the TransCanada Highway, advocating for distracted-driving legislation, and introducing seatbelts in all vehicles in the province. Today we continue to advocate on behalf of members and the motoring public at both the provincial and municipal levels through programs like our Worst Roads program, School Safety Patrol and Watch for Bikes. We work with local communities and govern-

ments alike to educate the public and call for improved transportation infrastructure.

Our members are not just motorists; they're also cyclists and they use public transportation systems. They understand the importance of an integrated transportation system regardless of the mode that one chooses to use.

The first item I want to discuss today is dedicated funding. In Bill 65, there's a reference to the Dedicated Funding for Public Transportation Act. It proposes to provide dedicated funding to municipalities for public transportation through gas tax revenue. It's a good step, and CAA has been advocating for dedicated funding on transportation and road infrastructure for many years. For example, two years ago we urged the province to direct a portion of revenue generated from the HST, when charged on gasoline and diesel sales, to a predictable funding mechanism. At that time, 177 municipalities, which represent over six million Ontarians, endorsed our position, and over 10,000 Ontarians signed the petition, which was introduced to the Legislature two years ago.

The breakdown highlighted in this bill, particularly in light of the pending need for the Big Move, is a good start, but it is not enough. CAA members have told us over and over again that dedicated funding is critical and money should be earmarked. With much of the gas tax revenue going into general revenue, there is more opportunity, through this legislation, to show the public that the taxes they are paying through gas and diesel sales are going directly back into roads and into transportation initiatives.

I can't underscore it enough: There's a distinct lack of dedicated funding, something that is critical and overdue for transportation projects, especially with the proposed need for \$2 billion over the next 25 years to pay for Big Move initiatives.

The budget that was released just over a month ago noted that revenue generated from transportation-related initiatives should be dedicated to transportation projects in a clear and transparent manner. The term "should," in our eyes, is a loose commitment, and we'd like to change that "should" to a "must," especially when it comes to funding transportation.

Health care and education are often mentioned as critical cornerstones of our province. Transportation is equally critical. It's vital to our economy, society, environment, and directly impacts our daily lives, regardless of our mode of travel. We need sustained investment in existing roads and infrastructure projects to address the dire need for expanded transit in the GTHA and ensure Ontario's road infrastructure network across the province continues to be the safest in North America.

Lastly, I just want to take a moment to talk about the towing industry and the potential for regulation. Recognizing that Bill 65 has a component dedicated to auto insurance, CAA wants to underscore the budget's commitment to study and have consultations on the regulation of the towing industry and that it's a critical move. Focusing on the regulation of the towing industry will provide an opportunity to enhance and further the

industry in a number of ways while also establishing standards and safety criteria to protect both the operators and motorists. CAA has been at the forefront of safety training and safety standards, and we believe there is an opportunity to raise the bar, create further standards, and improve the profile of the industry.

Regulation will take time and can come in many forms, but it's vital that all relevant stakeholders have their say and a consensus is built among key stakeholders as it relates to the industry and the public at large. The result would provide consumer protection in an area where it's desperately needed. With many municipalities bound by towing regulations and others unregulated, consumers currently face different experiences, rates and service, depending on their municipality.

Modernizing the industry and exploring opportunities to regulate the industry that do not hand regulatory control directly to the industry is a process that CAA supports. We believe there's an opportunity to work with stakeholders, including police and various government ministries, to address and resolve the challenges that this industry currently faces.

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The Chair (Mr. Kevin Daniel Flynn): Thank you. You've left a lot of time there, Elliott—about 10 minutes. Peter?

Mr. Peter Shurman: Hi, Elliott.

Mr. Elliott Silverstein: Hi, there.

Mr. Peter Shurman: Thanks for being here and thanks for the brief—a thankfully brief presentation; you're very succinct. I do have a couple of questions.

When you talk about sustained, dedicated funding for transportation and transportation-related endeavours, my party agrees. The question is, is CAA in favour of any of the "revenue tools" put forward of late by Metrolinx?

Mr. Elliott Silverstein: That's a good question. At this time, we're actually reaching out to our members, getting some feedback. There are some revenue sources that we have some significant concerns about, mainly in regard to the fact that we want to ensure that whatever does come forward is not going to be disproportionate on the consumer. There are a couple that are earmarked toward business, but our concern is that they can be redirected back to consumers. There are some that can be punitive that were not on the table, like road tolls; there are others that certainly would be more across-the-board that we would entertain.

I think that when it comes to some of the opportunities there—the HST is one that could be considered, whether it's feasible or not—but at this time, we don't have a specific item that we say we're going to champion, but we certainly are continuing our advocacy and our outreach to our members to get their consensus, because there are a lot of questions. More than anything else, I think there's a lot of misunderstanding about what the actual costs are going to be for the consumers.

Mr. Peter Shurman: I'm thinking you ought to run for office; however, that was just an aside.

My next point was further to that point, and you kind of answered it, but I'm going to ask it anyway. If I force you to put on the table a particular revenue tool, of the choice of the array that's been handed to all of us, which one or ones would you favour?

Mr. Elliott Silverstein: Which one would we favour—

Mr. Peter Shurman: Let me just amplify, because you said, "We don't want to pass it on to the consumer." They all, ultimately, are passed on to the consumer, but you seem to be leaning towards an HST increase, if it were doable.

Mr. Elliott Silverstein: I think what it comes down to is that we want to have something that's fair and balanced, so that it's not going to reside on one group versus another. It needs to be somewhat, for lack of a better word, equitable, so that one group is not going to be sitting there and shouldering the burden of it.

An HST increase, in theory, is something that would be across the board; certainly it may not be the perfect solution to the challenge but is something that is out there. When you look at things like high-occupancy toll lanes, it's another item that we have said that we're willing to explore and consider because it provides consumer choice. If you want to use that lane, you have the opportunity to opt into that, and if you choose not to, you have the other lanes available to go through.

At the end of the day, from our perspective, it's looking at what is there for consumer choice, so you have some variety of options, and that it's fair and balanced across the board.

Mr. Peter Shurman: For the record, my party doesn't agree with what Metrolinx has put forward at all; we believe that the money exists. Therefore, even though it's available, in our view, from existing tax revenues, given the efficiencies that can be brought to the budgetary process in Ontario, it still winds up being on the back of the consumer. Bottom line—somebody has got to pay, no?

Mr. Elliott Silverstein: People do have to pay and, certainly, from our perspective, we recognize that if there's going to be a suite of levies, fees, taxes—whatever you want to call them—that are going to be put on there, drivers are going to be part of that package. We recognize that. We're not coming forward and saying that we shouldn't be paying anything in terms of drivers, but that whatever does come forward, it ensures that everybody—if there is a need to contribute, and to your point, you're suggesting that there are ways to minimize that on the public, but if there is an ask, that it is actually allocated across the board.

Mr. Peter Shurman: Thank you.

The Chair (Mr. Kevin Daniel Flynn): Thank you. Rob?

Mr. Rob E. Milligan: Just quickly, Elliott. Thank you very much for coming in. As a CAA Plus member myself—and I haven't been surveyed yet—for the record, I want to say that I oppose the 1% HST increase

and all revenue tool increases. Thank you very much for coming in.

The Chair (Mr. Kevin Daniel Flynn): There you go. You've got one survey complete.

Mr. Elliott Silverstein: Thank you.

The Chair (Mr. Kevin Daniel Flynn): Thank you. Anything else, Peter? Rob?

Mr. Peter Shurman: We're good.

The Chair (Mr. Kevin Daniel Flynn): Thank you very much for coming, Elliott.

MUSIC CANADA

The Chair (Mr. Kevin Daniel Flynn): Our next delegation on our list—we're a little bit ahead of ourselves but if they're in the room, they'd really help us if they would come forward a little early—Music Canada: Graham Henderson. Graham, if you'd like to step forward and make yourself comfortable.

Mr. Graham Henderson: I do have something to distribute, if that's—

The Chair (Mr. Kevin Daniel Flynn): Yes, the Clerk will handle that for you.

If you'd like to make yourself comfortable. You were here for the other delegations. Ten minutes—use that any way you see fit. At the end of that time, I'll let you know when you're getting close. The five minutes of questioning this time will go to the NDP. Other than that, the floor is all yours, Graham.

Mr. Graham Henderson: Let me just set my clock.

My name is Graham Henderson. I'm the president of Music Canada, which is a trade association that represents Universal Music, Warner Music and Sony Music but also has extensive contacts throughout the whole music community. We work with lots of folks in the studio community and lots of folks in the live music community.

I've circulated a document that we published earlier in the year that is the product of a couple of years of research. My background is that I'm currently with the association Music Canada; before that, I worked for Universal Music in the digital development department. Before that, I was an artist representative. I was a lawyer, and for 17 years represented musicians and publishers and singers and producers in the province of Ontario and throughout Canada. That's who I am.

I wanted to give you a brief history of the advocacy which resulted in the Ontario Music Fund, which is an element of the budget which obviously we're very supportive of. About two years ago, we held our first advocacy day—it was actually the first advocacy day that I think organized music had ever had—here. We met some of the members. We had an opportunity to meet all of the leaders and most of the critics. It touched off a two-year-long campaign which really resulted in this fund.

I want to touch a little bit on why we think the fund is important and why we think the government responded to our requests. Music is an extremely important cluster.

It's an underestimated cluster in Ontario. Interestingly, over 80% of all economic activity in the sound recording industry takes place here in Ontario.

Revenues for the Ontario sound recording industry totalled almost half a billion dollars in 2010. We believed that Ontario had not yet fully capitalized on a strategic advantage that it enjoyed in the global music industry.

Jobs that are created in our sector are largely high-paying, permanent jobs involving young people in a cutting-edge, high-tech digital environment. Once upon a time, the recording industry came to Ontario and other parts of Canada to record their records—in many respects, the same way today that film comes from around the world to make movies. But that stopped many years ago, and we need fresh ideas and new strategies which will bring that foreign direct investment back to our province.

The other piece here is what we call Ontario's hidden superpower. It's our live music scene, and it should not be underestimated. Already under way at the Ministry of Tourism, Culture and Sport is an ambitious plan to make Ontario one of the global destinations for live music tourism. It's a timely and visionary initiative because the Canadian Chamber of Commerce recently identified tourism as one of the chief barriers to competitiveness for our country because of our slide in that area, and we believe that music can help.

Just to give you a sense of how much music can help: Austin, Texas, which is a city a third the size of Toronto, has an economic impact from its music sector that is three times the size of Toronto's economic impact, and that's largely because they have a plan. It's worth about \$1.6 billion to the city of Austin. They have an aggressive plan to increase that, and half of that money is directly related to music tourism.

We know, from our economic impact studies, that over half of all the jobs in the live music sector are here in Ontario. We know that we have one of the largest and most diverse music scenes in the world, and this gives us a built-in advantage.

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We also know, from a province of Ontario report, that tourism is the largest employer of young people in the province, and probably in Canada. We also know, thanks to a report from the Ontario Arts Council, that 9.5 million overnight tourists to Ontario participated in arts and culture activities. For almost half of them, music was the motivator for their trip, and it is a fact that arts and culture tourists stay longer in our province and spend more money in our province. And this is all without a coordinated marketing plan. Imagine what we could do if we had a plan and devoted even modest resources to it.

Well, now we do, or at least we hope we will. We believe that the Ontario Music Fund has creatively and comprehensively addressed these two important sectors: live music and recorded music. It will create jobs, it will bring foreign direct investment to our province and it will bring tourists.

But we also must not forget that action like this will have a direct, tangible impact on the lives of our great musicians who have been so important to our province and who have given us so much. We think it's a historic, visionary program, and we think it deserves all-party support.

The benefits, I want to underline, are not limited to Toronto. My organization and I, personally, have been travelling the province of Ontario to assist local communities in kick-starting music initiatives. I've been to Kitchener-Waterloo, Guelph, London, Hamilton; we're going to Niagara; we've been to Kingston, Peterborough. All of these are communities with incredibly vibrant communities—it's all scalable, right? Obviously, everybody's going to achieve something proportionate to what they have, but this is a unique asset. It is something that other provinces don't necessarily enjoy, and it's one that this province, our province, can and should capitalize on.

Those are my comments. Thank you.

The Chair (Mr. Kevin Daniel Flynn): You left a lot of time for—Michael? Cindy?

Mr. Michael Prue: You haven't really asked for anything. I think what you're asking us is not to cut what the Liberals—

Mr. Graham Henderson: That's right, yes. That's correct.

Mr. Michael Prue: That's the ask.

Mr. Graham Henderson: Yes, the ask is that all parties support this concept, this part of the budget.

Mr. Michael Prue: Okay. Certainly, on behalf of the New Democrats, we don't find anything wrong with the monies that have been put forward, for precisely the reasons you've enunciated here.

With the money that has been put in—is it \$43 million, I think?

Mr. Graham Henderson: It's \$45 million, over three years.

Mr. Michael Prue: Over three years. How many jobs is that likely to create within the music industry in Ontario? Any guesstimates on that?

Mr. Graham Henderson: We had a more ambitious proposal that was focused more exclusively on the recorded music sector. We had originally been seeking a tax credit, but as we know, the tax credit program is under review, so there wasn't going to be a tax credit; there was going to be new program funding. But we had estimated, with our more ambitious act, that it could result in around 1,500 jobs, and that's just in our sector alone. We didn't make an estimate of what might happen in the live music sector, but we think it could be substantial.

Obviously, this is not going to solve the problems of Ontario overnight. The reason we presented these ideas over the past two years is that we felt that these are very achievable objectives in a high-profile area which will draw attention to our province, in addition to creating jobs.

Mr. Michael Prue: Since the budget was announced and the money was there, has there been any controversy within your industry over this?

Mr. Graham Henderson: Whenever a program is going to be announced, the controversy will be, how is the money going to be spent? The government has committed itself to a detailed set of consultations. My understanding is that that's well under way; we only just appeared. We think that it's an extremely ambitious goal they have for themselves, because this is a program that has to roll out in the fall, which is halfway through the fiscal year. I think, when you suddenly say that there are \$45 million, the controversy will surround how it is going to be spent. But I'm very, very confident in the folks who are working on this program inside the Ministry of Tourism, Culture and Sport, that they're going to be able to address the issues of the community at large—and remember, it's a very broad, diverse community. It includes ourselves, the foreign direct investors, Ontario's independent recording industry, the live music community, the studio community and music publishers. It's big and diverse.

Mr. Michael Prue: And is there any consensus within all that diversity on where the money might end up?

Mr. Graham Henderson: Yes. I think the impetus for the government to do something was very clearly focused on the recorded music sector and aspects of that, and the live music sector. So I think everybody understands it's going to be divided into those areas within the recorded music sector.

This document here actually addressed a lot of the issues that are being discussed. For example, there's a chapter in here on digital initiatives and digital innovation. There's a chapter in here on the tax credit, but obviously which would now be a fund. There's even a piece that we've talked about in terms of music education. I think most people are going to come to the table—oh, I'm sorry; and assisting Ontario musicians and labels in getting product into international marketplaces, which is absolutely critical in this day and age.

Is it going to be perfect? I don't know of any program that is. I mean, I'm confident that it will be divided in a way that will reflect the diversity of the community. For example, with respect to the tax credit that we had originally proposed, that was something that was supported both by ourselves and the independent community. We went together, each supporting one another's requests.

Mr. Michael Prue: Those would be all my questions. Thank you very much.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Graham. Thank you for being here today.

Mr. Graham Henderson: You're welcome.

The Chair (Mr. Kevin Daniel Flynn): The rumours you were bringing tickets to the Stones concert were false, I guess.

Mr. Graham Henderson: I know, I know. Those rumours do attach to me.

But thank you very much.

The Chair (Mr. Kevin Daniel Flynn): Thanks for being here today.

CANADIAN RENEWABLE FUELS ASSOCIATION

The Chair (Mr. Kevin Daniel Flynn): Is Scott Thurlow here, from the Canadian Renewable—

Mr. Scott Thurlow: I am.

The Chair (Mr. Kevin Daniel Flynn): Okay, Scott, if you'd like to come forward, make yourself comfortable.

Mr. Scott Thurlow: I'll use all the extra time, I promise.

The Chair (Mr. Kevin Daniel Flynn): Did you bring the Stones tickets?

Mr. Scott Thurlow: I did not, unfortunately.

The Chair (Mr. Kevin Daniel Flynn): Let me reset the timer. You heard the rules—I know you were here earlier—15 minutes; 10 minutes to use any way you like. The questioning this time will go to the government side. It's all yours.

Mr. Scott Thurlow: Thank you very much, Mr. Chairman and members of the committee, for the opportunity to discuss the Ontario budget and Bill 65. My name is Scott Thurlow and I am the president of the Canadian Renewable Fuels Association.

CRFA members create a suite of innovative fuels and co-products. Our members create ethanol and biodiesel from an array of feedstocks including, but not limited to, corn, wheat, soybeans, canola, spent cooking oils, residues—rendered animal products—and cellulosic ethanol, which is a feedstock-agnostic process but can include wood waste, forest biomass and reclaimed municipal solid waste.

The provincial budget announced the repeal of the biodiesel tax credit of 14 cents a litre effective April 1, 2014. The budget also announced stakeholder consultations on the creation of a renewable content requirement for diesel fuel in Ontario. These consultations would pertain to the percentage of renewable content to be required and the carbon intensity of that fuel. We very much support this move. This is an important issue for the economic development and environmental quality of our province.

As stated in our pre-budget submissions and our previous testimony, the CRFA is recommending the creation of a 2% renewable diesel mandate for the province of Ontario. This follows the western provinces, all of whom have a mandate of at least 2%, if not 4%. We have also recommended a carbon intensity approach, measured on a life-cycle basis, requiring at least a 50% improvement when compared to petroleum fuel.

I would like to use my time here today to elaborate on how the creation of a renewable diesel mandate would (1) reduce harmful emissions in Ontario, and (2) encourage economic growth through biodiesel production and increase farm income.

More than any other policy tool, mandated content requirements drive investment and expand local produc-

tion. However, despite a federal mandate of 2% renewable diesel, the local benefits are not manifesting themselves in Ontario. The federal renewable content standards allow primary suppliers—oil and gas companies—to blend renewable diesel anywhere in the country, provided that their national average is 2%. The 2% federal mandate for renewable diesel creates 600 million litres of demand for renewable diesel in Canada. Ontario accounts for almost one third of that national demand, yet current Ontario production could not meet that one third of the federal mandate, and we certainly are not blending anywhere near one third of the renewable diesel that is required by the federal mandate.

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As I mentioned earlier, all the western provinces have their own unique provincial mandates in place and have built out significant blending infrastructure as a result. The oil and gas companies have to blend the renewable diesel there; they have no choice under the law. In fact, the biodiesel industry in Ontario is under capacity because the federal mandate requirements are being met in the western provinces. A mandate in Ontario will help build up that capacity and encourage additional investments to meet a provincial mandate here at home.

The Grain Farmers of Ontario, the Ontario Federation of Agriculture and Ontario Agri-Food Technologies have all supported the creation of a provincial renewable diesel mandate because of what it represents for our farmers. A 2% mandate would create a guaranteed market of at least 160 million litres of renewable diesel. This could create a potential market for 680,000 tonnes of Ontario soybeans.

We know that there are oil and gas companies that have installed blending infrastructure here in Ontario, but blending infrastructure alone does not guarantee that blending will occur. Right now, any biodiesel blending that is done by oil and gas companies in Ontario is strictly voluntary. You may hear from other fuel sectors that they prefer this flexibility to voluntarily blend in Ontario. The very flexibility that they are celebrating is at odds with Ontario's interests and undercuts the economic benefits of a renewable diesel mandate here at home.

Market realities and price fluctuations often result in blending being done in other regions, where mandates have forced investments and blending infrastructure. To leverage those investments, they blend at higher levels, even above and beyond the western mandates. This puts Ontario farmers and biodiesel producers at a steep disadvantage compared to those with guaranteed markets for their products in the western provinces. They have to compete with their western brethren for their share of the federal mandate. Western farmers who have a guaranteed market for their products are in a better position to negotiate with oil and gas companies.

In fact, my members are told by investors—bankers—that the absence of a mandate in Ontario is acting as a deterrent to investment in the biodiesel industry, as investors see more predictable markets for biofuels in the western provinces. A guaranteed market in Ontario

would level the playing field and, in so doing, create jobs here in the province.

On the environmental side, biodiesel is a practical alternative fuel that cuts emissions from diesel cars, trucks, boats and trains. Unfortunately—and this is an admittedly recurring theme—the current federal mandate offers little environmental benefit to Ontarians. As the obligated parties opt to blend renewable diesel in western Canada markets to meet both their federal and western provincial mandates, Ontario gets the short end of the economic stick and the short end of the environmental stick. A mandate would reduce carbon dioxide emissions and other harmful emissions in Ontario by as much as 99% when compared to petroleum diesel. This is the equivalent of removing 100,000 vehicles from Ontario's roads. Every litre of renewable content blended in Ontario is one less litre of petroleum fuel creating smog in our neighbourhoods.

We have recommended that a carbon intensity approach be adopted to ensure that the fuels which qualify as a renewable fuel under our proposed regulation significantly reduce GHG emissions, which is an objective of the Ontario Environmental Protection Act.

I have provided you with an article on the GHG impact of HDRD fuel derived from palm oil, which is as bad, from a life-cycle perspective, as petroleum-based fuels. This is what carbon intensity value is designed to protect. Carbon intensity on a life-cycle basis has been successful in Alberta, which requires a 25% improvement in their 2% renewable diesel mandate. The low-carbon approach has worked in British Columbia and California, and 13 other US states are developing their own approach. This is why we recommend a carbon intensity approach.

On the efficacy side, biodiesel is a high-performance fuel that has hundreds of millions of on-road miles of proven effectiveness. Some critics of biofuels question the environmental value of these fuels when compared to the most modern emissions reduction technology on trucks. I question this logic, as the updated emission systems in these heavy-duty vehicles apply only to those who have acquired them. Full fleet turnover could take over a decade, if not longer. Greening the distillate fuel pool applies to all vehicles simultaneously and immediately. A provincial renewable diesel mandate will succeed in making those advanced systems even greener and reduce emissions from every other heavy truck driving down the 401.

I think it is important enough to repeat that using renewable diesel brings quantifiable environmental and health benefits to all Ontarians who breathe. I suspect this is a large constituency. I would add, however, that all original equipment manufacturers who sell trucks in North America will warranty their vehicles for a biodiesel blend of up to 5%. Three quarters of them will warranty their vehicles for a biodiesel blend of up to 20%.

While you don't need me to talk to you about the frequent and dense truck traffic on the 401, you do need

to know that, as a result of US mandates, every truck that you see on the 401 with US plates almost certainly has biodiesel in its tank. In fact, the American Trucking Association has endorsed the use of B5, which is 5% biodiesel. They did so in 2005.

Minnesota, a state which borders Ontario, requires 5% biodiesel year-round. In the summer months, they require a higher-mandated requirement. By 2015, in the summer months, Minnesota, by law, will have a 20% biodiesel blend from April to October.

As stated in a report compiled by that state's Department of Agriculture and tabled in the Minnesota Legislature earlier this year, in spite of sub-zero temperatures in Fahrenheit last winter, and so far this winter, no issues have been reported with the state's B5 mandate.

By contrast, in Ontario, we have a way to go in order to keep pace with our neighbours. Some suggest that a provincial mandate would lead to increased complexity to fuel infrastructure and added costs. Nothing could be further from the truth.

Again, thematically, we have to look at what has happened to the obligated parties in the western provinces. They have been blending at 2% and as high as 5% in the summer months. This is happening without any issues, technical or economic.

The problem for Ontario farmers and Ontario biofuel producers is that isn't happening in Ontario. So if anyone tries to tell you that a mandate in Ontario will void their warranty, or doesn't work in the cold, or will be more expensive, they probably don't know that they are most likely already using biodiesel if they have ever driven in the United States, British Columbia, Alberta, Saskatchewan, Manitoba or even in Ontario, where, from time to time, voluntary blending still happens. It's just not happening in a way that our farmers and our biodiesel producers can actually benefit from.

In conclusion, the CRFA believes the budget should be passed immediately so that these important consultations can be initiated as soon as possible. The need for Ontario to catch up and secure additional investments in this sector is of paramount importance to our members and farmers. It is imperative, however, that a renewable fuel standard for diesel fuel is in place in advance of the elimination of the biodiesel tax credit, which is scheduled for April 1, 2014.

Again, I wish to thank you all for allowing me the opportunity to speak to you today. On behalf of the CRFA, we encourage all parties to support the creation of a renewable diesel mandate without delay. Thank you, and I would welcome your questions.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Scott.

Dipika, you've got about four minutes.

Ms. Dipika Damerla: Thank you so much, Scott. I don't have many questions; just one, which is: If Ontario was to mandate something, what level would you recommend?

Mr. Scott Thurlow: In our recommendations, we suggested 2%. The reason that we suggested 2% was

twofold. First of all, it matches the federal mandate, as you've seen in some of the other western provinces. That would allow, based on the federal government's own reasoning, for that blending to occur with no incident whatsoever. Secondly, we think that is the sweet spot that would allow for blending to occur year-round with even no prospect of technical issues ever coming up.

I mentioned Minnesota before already, where they've had no issues. If somebody's enterprising and they want to raise a higher mandate even beyond 2%, I would support that, but my proposal here today is 2%.

Ms. Dipika Damerla: Thank you.

The Chair (Mr. Kevin Daniel Flynn): That's great, Scott. Thank you very much for coming today. I appreciate it.

Mr. Scott Thurlow: Thank you very much for having me. Good luck with your deliberations.

The Chair (Mr. Kevin Daniel Flynn): Thank you.

We're getting a little bit ahead of ourselves here, but that's not a bad thing. Is the Ontario Waste Management Association here yet? Rob Cook, Peter Hargreave? How about the Ontario Automotive Recyclers Association? Or the Ontario Undergraduate Student Alliance?

Seeing none of those people, we'll take a brief recess until the Ontario Waste Management Association shows up.

Just let me take this time, if we can go back, just to remind the committee—Peter, this may be of interest to you, and Michael—the deadline for filing amendments with the Clerk is at 5 o'clock, Saturday, June 8—you know that, I'm sure—as ordered by the House. They must be filed in person. They must be filed in this building physically because the hard copy is still the official copy.

I'm getting this from Katch. The Clerk's office is in room 1405 in the Whitney Block. If anybody needs the information from the legislative counsel, they can get that from Katch. That's it, really, just the information. Because it is a Saturday, there are some unusual things about it, obviously.

Mr. Peter Shurman: We're done.

The Chair (Mr. Kevin Daniel Flynn): So you're all done.

Michael, I don't know if that means anything to you, but that's—

Mr. Michael Prue: I don't know. I will convey that message to our finance guru. I'll let Ethan know.

The Chair (Mr. Kevin Daniel Flynn): Forewarned is forearmed.

Let's get on with the recess.

The committee recessed from 1020 to 1026.

ONTARIO WASTE MANAGEMENT ASSOCIATION

The Chair (Mr. Kevin Daniel Flynn): Let's call back to order again. We've got the Ontario Waste Management Association, Peter Hargreave, director of policy, here with us today. Peter, 15 minutes.

Mr. Peter Hargreave: Okay.

The Chair (Mr. Kevin Daniel Flynn): Use that any way you see fit. If there's any time left over—about five minutes—the questioning will go to the Conservative Party this time. It's all yours.

Mr. Peter Hargreave: Thank you for the opportunity to provide a submission on the 2013 Ontario budget. The Ontario Waste Management Association is the voice of the waste management sector in Ontario. We represent roughly 300 members across the province, including private sector companies, public sector municipalities, organizations and individuals involved in the waste management sector.

Together, our members manage over 85% of the province's waste. Our members have diverse interests in capital investments in areas such as waste and recycling collection, landfills, transfer stations, material recycling facilities, energy-from-waste facilities, organics processing and composting, and hazardous waste management from both the recycling and disposal perspectives.

The waste management sector provides an important environmental service by dealing with the roughly 12.5 million tonnes of waste we create annually in Ontario, which equates to almost one tonne per Ontarian. The sector directly contributes annually over \$3 billion in revenue, over \$300 million in capital expenditures and over 13,000 direct jobs to Ontario's economy. The average salary paid to those employed in the waste management sector is 22% above the provincial average salary.

There are a few areas of the 2013 budget that I'd like to touch on today, beginning with MPAC. The OWMA is supportive of the steps taken in the 2013 budget to review Ontario's property tax system with a specific focus on the Municipal Property Assessment Corp., MPAC.

We have been concerned with what appears to be a separation of MPAC from any direct supervision and policy management by the province. Recently, the minister was forced to step in when MPAC changed the methodology for landfill assessments with absolutely no consultation and little research. The new methodology increased private and public landfill site assessments by up to 4,430% and increased taxes payable by two to 100 times their current levels. These changes had substantial impacts on both municipalities and the private sector, who both expressed immediate concerns.

MPAC needs to be accountable and consultation needs to be properly undertaken before changes of this nature are made in the future. We look forward to working closely with the government in this review and helping to clarify and refine the assessment methodology applied to landfills to ensure they are equitably applied.

Changing topics: The OWMA has been supportive of the Drummond report and its recommendations around the use of different forms of service delivery, like delegated administrative authorities or other arm's-length bodies to help improve regulatory outcomes and strengthen enforcement.

Proper oversight of the waste management sector is an absolutely critical element to ensure a level playing field across recyclers and to ensure we achieve the environmental and economic outcomes that we all want.

Numerous Provincial Auditor and Environmental Commissioner reports have pointed to deficiencies in the proper oversight of the waste management sector. Waste Diversion Ontario, the Hazardous Waste Information Network and the oversight of the management of end-of-life vehicles are a few examples of non-functioning systems that could be moved to an alternative service delivery model. Some advantages in doing this include the fact that they're self-financing and so reduce the cost to the taxpayer. They provide stability for oversight and enforcement, unlike government, which is often affected by fluctuating budgets and FTE limits. They provide the ability to build a unique set of skills and knowledge base housed within one organization.

1030

We would strongly recommend that the committee revisit the DAA provisions in the 2012 budget bill, and to make those effective as they were originally drafted. This would allow the creation of DAAs through regulation; allow the minister to assign objects to DAAs; create accountabilities to the minister; and allow a number of proposals to move forward that will both protect the environment and drive positive economic outcomes in the waste management sector. Unfortunately, last-minute committee changes last year rendered the provisions effectively inoperable, so we'd hope that there would be an opportunity to revisit those decisions.

Finally, as we discussed in our pre-budget submission, the waste management sector offers an enormous opportunity for the government to address economic growth, create well-paid jobs and meet environmental objectives. Roughly seven jobs are created for every 1,000 tonnes of waste that are diverted, and the economic benefits of recycling are four times greater than the net cost to recycle. Based on these numbers, if Ontario were to increase its diversion from a mere 25% to 50%, the province could increase investment by \$1 billion and increase total jobs, direct and indirect, by over 20,000.

It is not just the material or energy value of the waste that is lost when waste is disposed of, but also business opportunities with recycling and with integrating recovered resources into new products and packaging that could be sold again in Ontario. We should be rerouting these raw materials and this energy back into Ontario's economy after proper processing.

Organizations in our sector are continually investing and spending millions to pursue these goals, but innovation and technological advancements can only achieve so much. As waste management is largely dictated by regulation, it will take government involvement to harness the value of waste as a resource in Ontario. In our submission, we urged the government to address the stalled waste diversion rates in Ontario and to address the failures of the current Waste Diversion Act. This call for

changes has been echoed by many of the political parties as well.

While not in the 2013 budget, the Minister of the Environment did introduce the new Waste Reduction Act and strategy yesterday, which sets Ontario back on the right course, setting the long-term strategy to increase waste diversion in Ontario, including:

- addressing ICI waste;
- making individual producers responsible for the end-of-life management of their products and packaging, and removing these costs from the property tax base;
- getting rid of recycling cartels that allow companies to outsource their costs and responsibilities;
- restricting point-of-sale fees; recycling costs are a cost of doing business in Ontario and should be considered in the price of the product, not added at the checkout; and
- ensuring that the government is the one that sets the rules, whether those be standards or targets, and enforces them with penalties.

Each of the political parties should be commended for this act, as it reflects many of the positions each of the political parties has put forward over the last four years. We hope to work with all of you in the coming months to see this legislation move forward, and to better harness the economic opportunities of waste as a resource.

I thank you, and I'm happy to take any questions.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Peter. You've left about seven minutes. Peter?

Mr. Peter Shurman: Great. I have a couple of questions, then I think Monte does.

Thanks very much for the presentation. Obviously, I'm generally supportive, but I'm interested in the grade that you would give Ontario if you had to rate Ontario today for its results on waste management.

Mr. Peter Hargreave: I think that if you look over the last two decades, waste diversion in Ontario has remained at about 23%. The level has stalled throughout that period, so I think it's really a failing grade on waste right now. But I would probably be very, very cautious, in a sense, saying that it's really been a problem for all governments over those last two decades.

Mr. Peter Shurman: Then how do we compare, for example, to other Canadian jurisdictions?

Mr. Peter Hargreave: We're middle of the pack for other jurisdictions and what other jurisdictions do. Jurisdictions like Nova Scotia have about double the recycling rate that we currently have.

Mr. Peter Shurman: So we're not doing so well, but you are cautiously optimistic on this legislation that the minister tabled yesterday. Is that what I get from—

Mr. Peter Hargreave: Yes. Again, as I think I said in my comments, if you look at what the minister has done, he's effectively taken from various political parties and what they've put forward. It reflects what Michael Harris brought forward in his recommendations last November, it picks up on elements that were in the NDP election platform and it also touches on areas that the government

has talked about for the last four years in discussion papers.

Mr. Peter Shurman: Generally speaking, how do you feel about the derivation of costs at this point? In other words, the municipal portion of recycling costs that are passed along through municipal tax assessments to ratepayers.

Mr. Peter Hargreave: We've argued that we're supportive of what's called "extended producer responsibility," so shifting the cost of managing or the recycling of those wastes at the end of life on to producers who have the ability to be able to effect change. Municipalities, for a large part, don't have any ability to effect change when it comes to waste—

Mr. Peter Shurman: Which is why you have the recommendation to build prices—a manufacturer price and retail price—as opposed to some extra at-the-cash, point-of-sale price.

Mr. Peter Hargreave: Yes, but I think we also look at that, Peter, from the perspective of—currently, right now, effectively what's in place is a producer tax to consumers. It's a flat rate that everyone pays. What we're suggesting is that companies should be competing and innovating to reduce those costs, and so there shouldn't be a flat fee. It's an artificial price that's currently been set.

Mr. Peter Shurman: Thank you. Monte?

Mr. Monte McNaughton: Just a quick question. I know the whole eco fee disaster debate really well—our family has a Home Hardware store. I remember in the summer of 2010, I believe, when phase 2 of the eco fees came in, a bag of concrete mix—which is every building centre's number 1 selling product, apart from two-by-fours and things like that—was selling for \$3.99. When the eco fees came in, I remember the first customer of the day went up to buy 60 or 70 bags of concrete mix and that concrete mix was eight bucks a bag. So it doubled the price.

What will happen now, then? Will they build a \$4 recycling fee—recycling tax—into the product so the consumer won't see it? I mean, that's what's going to happen essentially, right, with this new legislation?

Mr. Peter Hargreave: It would be a cost like any other.

The same argument could be made for minimum wage. We set a minimum wage in this province, and the price of that minimum wage gets built into the price of products or services. Companies figure out the best way that they can be efficient and effective, and that gets built in.

Mr. Monte McNaughton: But what happens, for instance with a television, then? I don't know what the fee is, \$50 to \$75. Is there a risk of encouraging people to go to the United States or different provinces to buy these products?

Mr. Peter Hargreave: Whenever we're moving forward with any regulations, Monte, I think there's always a risk of that. I think the government's tried to stick in some provisions. I think they've got some e-tailer

provisions with that, to try to capture greater sellers within the marketplace.

Mr. Monte McNaughton: So how will consumers or taxpayers actually know how much they're paying? Will there just be a lump sum in an annual report at the end of a year? I guess this is all going to the business now. I guess they're—

Mr. Peter Hargreave: No, it's going to the producers. So if it's Sony who's building a TV, they're quite open to include what they see their fee as being, and they could include that as a separate advertisement—

Mr. Monte McNaughton: Cost.

Mr. Peter Hargreave: —or cost around their product, to let the consumer know this is the price that you're paying.

Mr. Monte McNaughton: So the risk is, in Ontario, products could just be more expensive.

Mr. Peter Hargreave: There's a risk, but this is the same way, Monte, that most other jurisdictions are going. Quebec's moved this way already. It's being pushed—

Mr. Monte McNaughton: What about Michigan?

Mr. Peter Hargreave: I'd have to get back to you on Michigan.

Mr. Monte McNaughton: I was just curious.

Mr. Peter Hargreave: But I know that a lot of legislation that's currently moving forward in the US is including internalized pricing as well.

Mr. Monte McNaughton: It always scares me, and maybe it's just my background, but I don't like it when consumers don't know how much they're paying for something—or taxpayers. The reason why I thought getting away from the manufacturers' sales tax back in the early 1990s was good was so consumers actually knew how much they were paying for that tax.

Mr. Peter Hargreave: But I think it's important to highlight again: The way the current system is set up is that, effectively, there are recycling cartels in Ontario. So all of the producers of electronics sit around a table, they effectively decide what the price of recycling is, and pass that down to the consumers as a flat fee. That's not a competitive system. There are no competitive mechanisms to help them reduce the price, to help them improve their product and to reduce those costs down.

Mr. Monte McNaughton: Yes. I mean, I'm only asking just for an education for myself.

Mr. Peter Hargreave: Oh, no, absolutely.

Mr. Monte McNaughton: I don't like the current system, for sure, either.

1040

Mr. Peter Hargreave: I think there are some good discussions that need to be had over the summertime as we consider this and we consider the effect that it might have on retailers. Those are discussions that should begin in earnest so that we can figure out ways to solve them, but again, it makes no sense that we're sending 75% of our waste to landfill and, actually, a large portion of that to the US, where we landfill it in their jurisdiction.

Mr. Monte McNaughton: Perfect. Thank you very much.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Peter, for coming today. We've got about 12 seconds left here.

Interjection.

The Chair (Mr. Kevin Daniel Flynn): That's right. It was good time management.

ONTARIO AUTOMOTIVE RECYCLERS ASSOCIATION

The Chair (Mr. Kevin Daniel Flynn): Okay. Let's see if we've caught up a little bit. The Ontario Automotive Recyclers Association—Usman Valiante? Thanks for coming today. We're a little bit ahead of ourselves. If you'd like to make yourself comfortable. You've got 15 minutes; use that any way you see fit. Towards the end, around the five-minute mark, I'll let you know, and then questions will come from the NDP this time.

Mr. Usman Valiante: Great. Thank you very much.

The Chair (Mr. Kevin Daniel Flynn): The floor is all yours.

Mr. Usman Valiante: I'm pleased to be able to appear here today. I appeared before this committee on March 21 on behalf of the Ontario Automotive Recyclers Association to discuss the use of delegated administrative authorities for enhancing environmental protection and economic development.

As I mentioned then, 640,000 cars a year reach their end of life in Ontario, and their recycling poses a serious environmental issue and lost economic opportunity if the recycling is not done properly. Currently, the materials in your blue box have higher environmental standards for recycling than automobiles do. Automobiles are completely unregulated in how they are recycled; despite the fact that they contain mercury switches, oils, fuels and ozone-depleting substances, there is an exemption for end-of-life vehicle recycling under the Environmental Protection Act which effectively exempts recycling of vehicles from any environmental standards.

Also, as I discussed in March, there is a strong consensus amongst vehicle recyclers, vehicle manufacturers and environmental groups that environmental recycling standards are not only critical to environmental protection, but professionalization and economic growth in the vehicle recycling sector.

Since I provided my testimony in March, there have been some developments that I think are worth discussing with regard to delegated administrative authorities for better oversight and accountability of regulated activities. As you may know, yesterday the Ontario government tabled Bill 91, the Waste Reduction Act, along with a supplemental waste reduction strategy. The bill recognizes the consensus view that the existing Waste Diversion Act and Waste Diversion Ontario are not delivering the environmental and economic outcomes Ontarians expect from a regulatory framework that is supposed to hold producers responsible for the waste and products they generate.

An important part of the bill is the conversion of Waste Diversion Ontario, what has rightly been described by the PC environment critic as a useless recycling watchdog, into the Waste Reduction Authority, which will, to quote the bill, "perform the duties and exercise the powers ... for the purpose of ensuring that waste reduction activities are undertaken in accordance with this act and the regulations"; in effect, a proper statutory authority for the oversight of producer responsibility regulation that will, to again quote the PC environment critic, "meet enforceable targets for keeping materials out of Ontario landfills."

The Waste Reduction Act is also proposing to allow the Waste Reduction Authority to recover costs from producers to cover the costs of oversight and operation of this statutory authority. This conversion of Waste Diversion Ontario to a statutory authority is an important step forward in involving sustainable oversight of environmental regulations, and it's wholly consistent with the recommendations by Don Drummond under the Commission on the Reform of Ontario's Public Services.

I guess the precedent that's being set here is that for the first time under the Ministry of the Environment, there's going to be a true statutory authority for the oversight of environmental regulations. It's a bit of a precedent, and one of the things that this then leads to is a discussion of end-of-life vehicles that I mentioned at the outset, which are also part of the government's waste reduction strategy. They have said that they are now going to bring in environmental standards for the recycling of end-of-life vehicles, and those standards are going to apply to thousands of auto recyclers across the province, yet the Ministry of the Environment doesn't have any more resources than it did the day before yesterday to oversee those standards on end-of-life vehicles.

Again, and to perhaps belabour the point, an environmental standard with no means to oversee that standard is rendered ineffective.

I guess in the last few weeks, we've had some discussion on nursing homes in Ontario as an example of where ministries are tasked with overseeing regulated activities and either don't have the resources or the capacity to oversee those regulations. Once again, it highlights the point that you need a dedicated and financially sustainable enforcement mechanism for the purposes of regulatory oversight.

So going back to end-of-life vehicles, we bring forward a standard for auto recycling. We need to concurrently consider how to oversee that environmental standard and apply that to that sector to ensure a level playing field across recyclers to deliver the environmental and economic outcomes that the sector would like and obviously the citizens of Ontario would like.

As I stated in March to this committee, the DAA approach is self-financing. It reduces costs to taxpayers. It has the ability to link expenditures to risk-based assessment of need and expertise. It allows that expertise and institutional knowledge to be housed in an organ-

ization. It can direct investments to be made in better enforcement or better oversight and better outcomes.

Currently, creating a delegated administrative authority involves invoking the Safety and Consumer Statutes Administration Act. Through the act, cabinet can assign parts of or the whole of legislation to be delegated in the creation of delegated administrative authorities. In last year's budget bill, schedule 11, Delegated Administrative Authorities Act, 2012, that schedule offered to create a streamlined regulatory process for creating DAAs. Amendments to schedule 11 effectively neutered the ability of that schedule to achieve that outcome.

To reiterate, what I'm here to ask for today is for reconsideration of schedule 11 and its reintroduction into this budget bill. This addition would allow the creation of DAAs through regulation, would allow the minister to assign objects to the DAAs, would create accountabilities to the minister and would allow this particular proposal on end-of-life vehicles to better protect the environment and drive good economic outcomes in both the automotive recycling and automotive manufacturing sectors.

That's really the ask today, to reintroduce the original draft of schedule 11 in last year's budget bill into this budget bill.

The Chair (Mr. Kevin Daniel Flynn): Very good. Thank you, Usman. Eight minutes left—Michael? Cindy?

Ms. Cindy Forster: Thank you for being here today. So what are the experiences of other jurisdictions, other provinces around the auto manufacturing and end-of-life issue for vehicles?

Mr. Usman Valiante: British Columbia is the only province in Canada to have a standard for end-of-life vehicle recycling. One of the things that they're noticing in having that standard is the ministry is tasked with enforcement. Again in BC, the ministry is strapped for cash. All governments today are seeking to balance books. BC's finances are not in great shape, and so what they're finding is that this higher environmental standard is unevenly applied across the sector, so it causes dislocations because you have diligent players that are meeting the standard and then you're having the fly-by-night recyclers that are just pulling vehicles into a field and stripping them down, and the ministry is not pursuing them.

Having a standard is great, but you need to have a means to administer that standard and make sure that standard is being enforced, and that the organization that's doing that is accountable to the minister for the outcomes that he set forth. I think that's the experience there.

Quebec is looking at bringing in producer responsibility for end-of-life vehicles. One of the points that the vehicle manufacturers have made is that absent a standard for recycling, holding producers responsible for the recycling of vehicles is effectively impossible because they don't have the ability to interact with a regulated market.

I think the first step is standards and oversight concurrently, and then you start to look at continuous improvement, and it gives a forum for both the minister and the industry to figure out where that improvement in recycling needs to occur over time.

Ms. Cindy Forster: Thank you.

Mr. Michael Prue: The last statement you made puzzled me somewhat. You talked about how schedule 11 of last year's budget ought to be incorporated into this year's budget.

Mr. Usman Valiante: Yes.

Mr. Michael Prue: Wasn't schedule 11 enacted in last year's budget? I don't know what schedule 11 actually is.

Mr. Usman Valiante: Well, schedule 11 is the—let me read it to you—Delegated Administrative Authorities Act, 2012. It was enacted, but it was amended before it was enacted, effectively to render it ineffective, in my opinion. Things like any substantive changes that would be made would have to be taken to the Legislature for a vote.

There were things that were introduced into that schedule that render it ineffective, and I think, as originally drafted, it would have allowed the expedited—and I'm not using the word "expedited," but "expedited"—establishment of delegated administrative authorities. So rather than having to amend the parent act to create a delegated administrative authority, you could create them through regulation. That ability to do that was effectively neutered by the amendments that were made last year.

Mr. Michael Prue: So you would want it to be reintroduced into this budget bill as a new schedule, as it was before amendment.

Mr. Usman Valiante: Originally drafted—and I'm not saying that committee shouldn't take a look at it again, but I think the way it was originally drafted would have allowed it to meet the intent, which was to establish delegated administrative authorities when needed in a way that was accountable to the minister, but didn't require the Legislature to intervene every time there was going to be a substantive change to how that delegated administrative authority operates.

Mr. Michael Prue: Thank you.

The Chair (Mr. Kevin Daniel Flynn): Very good. Anything else, Cindy?

Ms. Cindy Forster: No.

The Chair (Mr. Kevin Daniel Flynn): Thank you very much for coming today. It is appreciated.

Mr. Usman Valiante: Thank you.

The Chair (Mr. Kevin Daniel Flynn): With your co-operation we've managed to move about 25 minutes ahead of ourselves. We've tried to get a hold of the 11:15 delegation; we've been unable to, so we'll just recess until these folks show up. If you'd stay close once they get here.

The committee recessed from 1052 to 1053.

ONTARIO UNDERGRADUATE STUDENT ALLIANCE

The Chair (Mr. Kevin Daniel Flynn): Amir and Rylan, make yourselves comfortable. Take your time. We're just coming back from recess, so just get comfortable. You get 15 minutes; use 10 minutes any way you want. Leave about five minutes, if you can, near the end. The questioning will come from the government side this time.

Let's call back to order, then. We've got the Ontario Undergraduate Student Alliance before us. Amir and Rylan, the floor is yours.

Mr. Rylan Kinnon: Thank you very much.

Mr. Amir Eftekarpour: Thank you so much. Good afternoon. My name is Amir Eftekarpour and I am the president of the Ontario Undergraduate Student Alliance, or OUSA, as we very affectionately call it. We represent over 140,000 undergraduate students at seven universities in Ontario.

OUSA advocates for a more accessible, affordable, accountable and high-quality post-secondary system in Ontario. Day to day, I'm also the vice-president, external, at the University Students' Council at Western University where, on Tuesday actually, I will be graduating with a degree in political science.

Mr. Rylan Kinnon: And I'm Rylan Kinnon. I'm the executive director of the Ontario Undergraduate Student Alliance. I completed my master's in public administration at Queen's last May and I completed my undergraduate degree in 2010 at U of T, where I studied political science, philosophy and history.

Mr. Amir Eftekarpour: I'd like to thank the committee for providing us with the opportunity to present to you today our comments on the 2013 provincial budget. We will focus on the importance of the youth jobs strategy and how it can be used to improve employment opportunities for post-secondary students and recent graduates. We will discuss the need for a continued focus on access to post-secondary education, recognizing that expanding access to post-secondary education is the best long-term jobs strategy. We will also discuss the budget's commitment to addressing flat and deferral fees, and lastly, we'll discuss important priorities of students that this budget did not address.

Mr. Rylan Kinnon: As we said, we'd like to start by discussing the youth jobs strategy. Students welcomed the announcement of the jobs strategy in the 2013 budget as it actually was one of the recommendations that we made in our 2013 pre-budget submission, which we shared with the committee in March, Unlocking Student Potential.

Students are increasingly concerned about employment, and these concerns come in two primary forms—first of all, in terms of finding high-quality work in study and in the summer to help afford the costs of their post-secondary education as well as gain meaningful experience; and of course, students are concerned about

the employment opportunities that will be available to them upon graduation.

Summer and in-study employment are the first things we'd like to talk about today. Not only do they help students cover their educational costs; they can also provide students with valuable work experience that helps them improve their prospects upon graduation. However, the impacts these experiences will have on a student's postgraduate outcome depends on the quality of the work and how related the work is to their field of study.

Summer employment is a particular concern to students this year, as last summer Ontario had the second-worst summer on record for student unemployment. For many, this meant that they had difficulty affording their post-secondary costs, and this is particularly problematic because the Ontario Student Assistance Program assumes that every student will earn \$3,000 during the summer, whether they earn \$200, \$2,500 or not.

Because of this, students believe that a youth jobs strategy must focus on improving summer employment opportunities. Ideally, the strategy should help to incentivize employers to create more positions and more high-quality positions for summer employment.

One option that should be considered is to increase the value of the Ontario summer jobs strategy wage subsidy. We believe that by doing this it will incentivize employers to create more positions and, again, ideally higher-quality positions that will improve their postgraduate employment outcomes.

Mr. Amir Eftekarpour: Summer employment is incredibly vital. Also, as someone who has worked during the school year—this past school year—in-study employment is also incredibly important and near and dear to my heart.

To address students' employment needs during their study and their postgraduate outcomes, the government should make investments to expand experiential learning opportunities.

Experiential and work-integrated learning opportunities provide a number of benefits to students. Studies have shown that students who participate in these programs are far more likely to graduate, have more opportunities to interact with faculty on an informal basis and use wages earned during their work terms to fund their education.

Students also benefit from experiential learning upon graduation, as it provides them with hands-on experiences and skills that employers are looking for.

One form of experiential learning that is particularly beneficial is co-operative education. Its value is best demonstrated by the fact that co-op grads have better postgrad earnings and employability than non-co-op grads. Much of this can be attributed to the networks that co-op grads develop and the practical experience they gain in their placements.

Unfortunately, in Ontario, demand for these placements far outstrips supply. To address this issue, students recommend that the government consider using the youth

employment fund to improve and expand the co-operative education tax credit to incentivize the creation of more co-op placements for students.

In all, an investment through the youth employment fund to provide more experiential learning opportunities would help the fund meet its aim of providing students with an opportunity to learn life and work skills while earning income, as well as find entry into long-term employment.

The government has also identified that one purpose of that youth employment fund is to provide hiring incentives for employers to provide an entry point to that long-term employment. Students are happy to see this commitment, as many students are increasingly concerned about postgrad job prospects. Students believe that the fund should provide incentives to employers to both hire and train recent graduates.

Unfortunately, recent reports have identified that employers are less willing to invest in training employees. This unwillingness has had an impact on student employability. An investment of this kind will help get graduates into higher-quality jobs faster, as well as encourage a shift in business behaviour to once more bear some of the responsibility for training Ontario's workforce.

Mr. Rylan Kinnon: As we've said, students are very supportive of the investment in a youth jobs strategy. Students believe that it has the potential to have a significant impact on youth employment in this province. We hope that it can contribute to Ontario's youth employment needs in the areas that we have discussed today.

However, students also believe that one of the best possible long-term employment strategies continues to remain investing in post-secondary education and, in particular, investing and increasing access to post-secondary education.

Often, in our worrying about youth unemployment, we ask what post-secondary institutions are doing incorrectly to contribute to the problem. However, what we often miss out on is that youth unemployment is actually created, as well, by unequal access to post-secondary education.

Consider this: 28% of youth who didn't complete high school were unemployed in 2012 compared to only 11% of youth who had received a post-secondary education. This is particularly concerning given that so many marginalized populations never make it to post-secondary in Ontario. This includes lower-income Ontarians. This includes aboriginal Ontarians. This includes Ontarians with a disability and, as well, first-generation students whose parents did not attend post-secondary.

1100

These groups face informational and financial barriers that make post-secondary education appear to be out of reach. Targeting investments in student financial assistance can help to increase these groups' participation in post-secondary and, in doing so, have a significant and long-lasting impact on youth employment in this

province and on the province's economic health as a whole.

Ontario's high university participation rate is something to be proud of, but it must be recognized that our universities are still far more populated by students with means than those without. For a society concerned with equality and economic growth, we must remain focused on ensuring that all Ontarians have access to the benefits of post-secondary education and make investments to help achieve this end.

Mr. Amir Eftekarpour: The budget has significant implications for students' employment, both in study and after graduation. It also can make meaningful contributions to their academic and financial well-being during study.

On top of the commitments to student employment, the government has provided more information on their intentions for the new tuition framework. Students appreciate that the budget identified the government's intention to address flat fees by coming up with a new definition of what a full course load is. Students have long advocated against flat-fee billing systems, which charge students full tuition beyond a certain course threshold, no matter how many courses they actually take beyond that threshold. This threshold is as low as 60% of a full course load at schools such as U of T and 70% at Western, back home. This forces students to pay for education that they do not receive and increases costs for students who, due to family or financial responsibilities or a disability, may need to take a lower course load. Students ask that the government require all institutions to charge tuition fees on a per-credit basis. It is a more logical and simply more fair system of charging that does not disadvantage students that we should providing more, not less, support to, as flat-fee systems do.

Also, the budget committed to creating a fairer approach to deferral fees and, in particular, ensuring that OSAP students do not pay tuition before their OSAP funding arrives. Students have long been concerned about billing methods in place at universities that lead to students who cannot pay their tuition fees by earlier and earlier deadlines being forced to pay an additional financial penalty. That penalty is to allow them to hold off on their tuition until their OSAP arrives.

This is something that I have faced myself at Western, where we have the earliest tuition deadline in the province, August 3, a full month before OSAP comes in. My peers at Western and friends and peers at member schools around the province have expressed that the system should be more flexible to students' financial situations and, again, should not increase costs and penalties for students who already have the highest financial need.

Students also strongly believe that all students should be able to pay their tuition on a per-semester basis, recognizing that many students work throughout the year to fund their studies.

Mr. Rylan Kinnon: The final thing that we wanted to discuss was some of the issues that we believe still need

to be addressed that were not raised in the budget. When we last presented to the Standing Committee on Finance in March, we discussed the issue of poor credit transfer in Ontario and the implications this has for students and the implications this has for the government. This has an access implication for students in the form of students not being able to follow a pathway that is most amenable to them and not having those pathways facilitated, but there are also cost implications for students in repeating courses and cost implications for the government as well. Our recommendations on credit transfer have no cost to the government but will have a significant impact on this issue.

Poor credit transfer is costly to students and the government for a simple reason: If a student takes a course more than once, they're paying for the same learning to take place. The government funds institutions on a per-credit basis, so if that student takes the same basic course at two institutions, the government has paid twice. If poor credit transfer leads to a student taking longer to complete their degree, then the government's costs, again, increase, because the government provides financial assistance to a number of students in the province.

Credit transfer improves access because some students may start in one geographic location and decide to move. They may be forced to move because of family issues. They may start at one type of institution and decide they need to move to another. If none of that prior learning is recognized when they choose to move, then they must start again. This might mean that they don't ever complete a post-secondary credential or it may mean they never reach the credential that they hoped to achieve.

That is why we recommend that the government require all universities in Ontario to accept all first- and second-year credits from other universities in Ontario.

This will save students and the government a significant amount of money. It will help Ontario catch up to other jurisdictions, both in Canada and internationally, who have made far more progress on this issue than we have. Finally, it will significantly improve the accessibility of our post-secondary system.

We look forward to continuing to engage with the government on this issue in the months to come.

Mr. Amir Eftekarpour: We'll conclude. Thank you so much for the opportunity to present to you today to speak about the importance of post-secondary education to Ontario's economy and students' employment needs, including fairness in how we charge our students. We welcome any questions you may have.

The Chair (Mr. Kevin Daniel Flynn): Thank you. You've left time for maybe one question. Dipika?

Ms. Dipika Damerla: I just wanted to thank both of you very much for a very comprehensive, very articulate presentation. Personally, I agree with a lot of what you've presented, so thank you very much.

Mr. Rylan Kinnon: Thank you very much for having us.

The Chair (Mr. Kevin Daniel Flynn): Thank you for coming today. Thank you for appearing early.

That, ladies and gentlemen, is our last delegation. We're going to adjourn, unless there's any other business. I'm assuming there isn't. We're going to adjourn the committee until 9 a.m. on Monday, June 10, 2013, for clause-by-clause consideration of Bill 65. Once again, a reminder: The deadline for amendments is tomorrow at 5 o'clock.

Mr. Michael Prue: In person.

The Chair (Mr. Kevin Daniel Flynn): In person. It's the official copy.

The committee adjourned at 1106.

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Second Session, 40th Parliament

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Deuxième session, 40^e législature

Official Report of Debates (Hansard)

Monday 10 June 2013

Journal des débats (Hansard)

Lundi 10 juin 2013

Standing Committee on Finance and Economic Affairs

Prosperous and Fair Ontario Act
(Budget Measures), 2013

Comité permanent des finances et des affaires économiques

Loi de 2013 pour un Ontario
prosperé et équitable
(mesures budgétaires)

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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRSCOMITÉ PERMANENT DES FINANCES
ET DES AFFAIRES ÉCONOMIQUES

Monday 10 June 2013

Lundi 10 juin 2013

*The committee met at 0901 in room 151.*PROSPEROUS AND FAIR ONTARIO ACT
(BUDGET MEASURES), 2013LOI DE 2013 POUR UN ONTARIO
PROSPÈRE ET ÉQUITABLE
(MESURES BUDGÉTAIRES)

Consideration of the following bill:

Bill 65, An Act to implement Budget measures and to enact and amend various Acts / Projet de loi 65, Loi visant à mettre en œuvre les mesures budgétaires et à édicter et à modifier diverses lois.

The Chair (Mr. Kevin Daniel Flynn): Okay, if we can call to order, this morning we're here to consider clause-by-clause of Bill 65, An Act to implement Budget measures and to enact and amend various Acts.

We'll start with a question: Are there any comments, questions or amendments to any section of the bill, and if so, to which section?

Hearing none, what I'm going to do is stand down the sections and begin dealing with the schedules, starting with schedule 1, section 1.

Shall schedule 1, section 1, as amended, carry? That's carried.

Shall schedule 1, section 2, as amended, carry? Carried.

Okay, we're going to schedule 1, section 3. Michael, you have an amendment. Are you going to read that into the record?

Mr. Michael Prue: Yes, I will read it into the record.

I move that section 2.1 of the Automobile Insurance Rate Stabilization Act, 2003, as set out in section 3 of schedule 1 to the bill, be amended by adding the following subsections:

"Referral of regulations to standing committee

"(9) Each of the following regulations stands permanently referred to the Standing Committee on General Government (established under the standing orders of the assembly) when the regulation is filed with the Registrar of Regulations under section 18 of the Legislation Act, 2006:

"1. Every regulation referred to in subsection (2) concerning the average of the authorized rates that may be charged by all insurers and concerning the period within which the 15% reduction in the average of the authorized rates must be achieved.

"2. Every regulation referred to in subsection (3) concerning periodic reductions toward the target and the period within which each such reduction must be achieved.

"Terms of reference

"(10) The standing committee may examine the regulations with particular reference to whether they are reasonable in the circumstances and with respect to such other matters as the standing committee considers appropriate.

"Authority to call persons

"(11) The standing committee may examine any member of the executive council or any public servant designated by the member respecting the regulations.

"Report

"(12) The standing committee shall report its observations, opinions and recommendations about the regulations to the assembly from time to time."

Just by way of explanation, I think this is just to ensure that the Legislature and the committee have an opportunity to make sure that the reductions, or the perceived reductions, in automobile insurance take place as they are intended to over the period of time, and to allow the committee to comment, should that be the case or should that not be the case.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Michael. Further speakers? Mr. Del Duca, then Mr. Shurman.

Mr. Steven Del Duca: Kind of a minor point: The Standing Committee on Regulations and Private Bills already reviews regulations; just, I guess, a tiny bit of concern around perhaps a bit of duplication of effort here. I'm wondering if you have any comments on that, Mr. Prue, the member from Beaches-East York.

Mr. Michael Prue: Well, before becoming the Chair of estimates, I was the Chair of regulations and private bills. They look at them only once a year, upon the advice of counsel and upon the advice of bureaucrats, who send in any that they feel are not working out. We think that that's not the appropriate committee to look at it because that is the actual wording of the bill itself, as opposed to what is happening.

Mr. Steven Del Duca: That's fine.

The Chair (Mr. Kevin Daniel Flynn): Mr. Shurman.

Mr. Peter Shurman: I look at this amendment, and I say to myself, look—first of all, from a Progressive Conservative perspective, you guys can fight it out because you're the ones who want to do this deal on automobile

insurance. But I look at what the force and effect is of bringing in an amendment like this, and I get concerned. If what happens is we're dealing with the Standing Committee on General Government, we're effectively creating a secondary body that kind of parallels FSCO. That's why we have FSCO: to do this kind of work. I don't understand why we would do that.

I believe that what the NDP is trying to do with this is set the table for a possible want of confidence motion that they would bring in the fall or at such later time as they see fit if they're not happy with the way things are going. If that's what they want to do, I suggest you fight it out right now and we look at the NDP to vote down this budget tomorrow. There's an expression for this that I can't use. Get on with it, if you get my general drift. I'm not in favour of this amendment.

Mr. Steven Del Duca: How many coffees this morning have you—

Mr. Peter Shurman: Just one so far.

The Chair (Mr. Kevin Daniel Flynn): Okay, any further comments? Any further debate on the amendment? Seeing none, I'm going to call the amendment: All those in favour of the amendment on the floor? Those opposed? That amendment is carried.

Moving on, then, shall schedule 1, section 3, as amended, carry? Carried.

Just to go back to the first schedule, section 1 and section 2: I inadvertently included the words "as amended" in there. There was no amendment, so just to be clear on that.

Schedule 1 from section 4 to section 12: I have no amendments, so I'm going to package them, if that's okay with everybody. Shall schedule 1, sections 4 to 12, carry? Carried.

Mr. Peter Shurman: Please record that the PC Party abstained on that.

The Chair (Mr. Kevin Daniel Flynn): On 4 to 12?

Mr. Peter Shurman: On everything here, including the entire section.

The Chair (Mr. Kevin Daniel Flynn): Okay.

Let's put a motion on the floor, then, for the whole first schedule. Shall schedule 1, as amended, carry? Carried.

Moving on to schedule 2: There are no amendments in this schedule. I'm going to package them again. Shall schedule 2, sections 1, 2 and 3, carry? They're carried.

Shall schedule 2 carry? Carried.

Moving on now to schedule 3, section 1: Shall schedule 3, section 1, carry? That's carried.

Schedule 3, section 1.1: We have an amendment for that. That's coming from the Conservative Party. Mr. Shurman.

Mr. Peter Shurman: I move that schedule 3 to the bill be amended by adding the following section:

"Grants only from Gasoline Tax Act or other existing taxes

"1.1 For greater certainty, the portion of tax that is dedicated to the provision of grants under this act to municipalities for public transportation shall only be paid

from the taxes under the Gasoline Tax Act or from another tax that existed on the day the Prosperous and Fair Ontario Act (Budget Measures), 2013, received royal assent, but not from any new taxes or other revenue sources."

If I may speak to this, Chair, this is, as it says, for greater certainty. We're not seeking to amend the intent of what's said here; we're seeking to draw a line on this and not see it, through regulation or any other ability to open it or interpret it, move into the area of what are commonly now being referred to as revenue tools.

The Chair (Mr. Kevin Daniel Flynn): Very good. Thank you. Further speakers? Mr. Del Duca.

Mr. Steven Del Duca: I appreciate what the member from Thornhill said. I'm not quite sure how that provides greater certainty around a program that has worked so effectively since 2004. The intent, if I'm not mistaken, around what we wanted to do, what the government wanted to do, with this was to make that funding permanent. It strikes me and strikes us that making a move like this almost seeks to tie the hands of government going forward around any other plans. I'm not sure if that was the intent or not, but from that perspective, we can't support this particular amendment.

Mr. Peter Shurman: I didn't think you could. But what we are seeking to do is support you, basically, in wanting to make that permanent—however, say that we are tying your hands to that for at least the remainder of this budget year. I think that's eminently fair, considering what your Premier and your finance minister have said about revenue tools without any further specificity. That's the reason for the amendment, and it's our only amendment.

The Chair (Mr. Kevin Daniel Flynn): Mr. Prue.

Mr. Michael Prue: We would like a 20-minute recess after the deliberations and before the vote.

The Chair (Mr. Kevin Daniel Flynn): Okay. Are there any further speakers to the amendment?

Mr. Steven Del Duca: No.

The Chair (Mr. Kevin Daniel Flynn): You're talking about before the vote on the amendment?

Mr. Michael Prue: Yes.

The Chair (Mr. Kevin Daniel Flynn): Very good. Okay, it appears that everybody who wants to speak at this time has spoken, so why don't we call that right now?

The committee recessed from 0911 to 0921.

The Chair (Mr. Kevin Daniel Flynn): Okay, if we can call back to order, we're going to have a vote on schedule 3, section 1.1, the amendment that was put forward by Mr. Shurman.

If we can have a show of hands on this one, so we know what's happening—all those in favour of the amendment? Those opposed to the amendment?

We have a tie vote. The Chair has to cast a vote, and I will vote along with the traditions and keep the bill as it is, so that amendment loses.

Moving on, schedule 3, section 2, and schedule 3, section 3: All those in favour? Those opposed? That is carried.

Shall schedule 3 carry? All those in favour? That's carried.

Moving on to schedule 4, there are no amendments, and it runs from section 1 to section 4.

Shall schedule 4, sections 1 to 4, carry? That's carried.

Shall schedule 4 carry? Carried.

Schedule 5, sections 1 to 3: Shall they carry? Carried.

Shall schedule 5 carry? Carried.

Schedule 6, sections 1 to 3: Shall they carry? They're carried.

Mr. Peter Shurman: Let it be noted that the PCs abstain from this section.

The Chair (Mr. Kevin Daniel Flynn): From this section? Okay.

Shall schedule 6 carry? Carried.

The PCs have noted that they abstained on that schedule.

Schedule 7, sections 1 to 3: Shall they carry? Carried.

Shall schedule 7 carry? Carried.

Schedule 8: There are a number of sections on this.

Shall schedule 8, sections 1 to 40, carry? Carried.

Mr. Peter Shurman: Please note the PCs abstain from schedule 8.

The Chair (Mr. Kevin Daniel Flynn): The PCs abstained on that schedule.

Shall schedule 8 carry? Carried.

Schedule 9, sections 1 to 7: Those in favour? Those opposed? That carries.

Shall schedule 9 carry? Carried.

Schedule 10, sections 1 through 4: Those in favour? Those opposed? That is carried.

Shall schedule 10 carry? Carried.

Schedule 11, sections 1 and 2: Shall they carry? Carried.

Shall schedule 11 carry? Carried.

Interjection.

The Chair (Mr. Kevin Daniel Flynn): Note that the PCs abstained on that vote.

Schedule 12, sections 1 through 3: Shall they carry? Carried.

Shall schedule 12 carry? That's carried.

Schedule 13, sections 1 through 5: Shall they carry? Those opposed? That's carried.

Shall schedule 13 carry? Carried.

Schedule 14, sections 1 through 4: Shall they carry? They're carried.

Shall schedule 14 carry?

Mr. Peter Shurman: Abstain.

The Chair (Mr. Kevin Daniel Flynn): Those in favour? Those opposed? That motion is carried, with the PCs abstaining.

Moving on, then, to the vote that we tabled previously in the meeting: Shall section 1 carry? Those opposed? That is carried.

Shall section 2 carry? That's carried.

Shall section 3 carry? That's carried.

Shall the title of the bill carry? Those in favour? Carried.

Shall Bill 65, as amended, carry? Those in favour? Those opposed? That is carried.

Shall I report the bill, as amended, to the House? That is carried.

Ladies and gentlemen, thank you very much for your co-operation. We're adjourned.

The committee adjourned at 0926.

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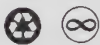
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STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRSCOMITÉ PERMANENT DES FINANCES
ET DES AFFAIRES ÉCONOMIQUES

Thursday 26 September 2013

Jeudi 26 septembre 2013

The committee met at 1400 in committee room 1.

APPOINTMENT OF SUBCOMMITTEE

The Chair (Mr. Kevin Daniel Flynn): Okay, ladies and gentlemen, we do have a quorum. The intent today is simply to appoint the subcommittee of the Standing Committee on Finance and Economic Affairs. Mr. Vanthof, you have a motion?

Mr. John Vanthof: Yes, I do. I move that a subcommittee on committee business be appointed to meet from time to time at the call of the Chair or at the request of any member thereof to consider and report to the committee on the business of the committee;

That the presence of all members of the subcommittee is necessary to constitute a meeting; and

That the subcommittee be composed of the following members: the Chair, Mr. Del Duca, Mr. Fedeli and Mr. Prue; and

That substitution be permitted on the subcommittee.

The Chair (Mr. Kevin Daniel Flynn): Very good. Thank you, John. Any questions, debate, comments? Everybody is pleased with that?

All those in favour? All those opposed? That motion is carried.

Seeing no further business, we're adjourned.

The committee adjourned at 1401.

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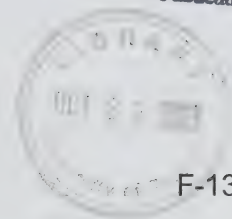
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Fairness and Competitiveness in
Ontario's Construction Industry
Act, 2013

Comité permanent des finances et des affaires économiques

Loi de 2013 sur l'équité et la
compétitivité dans l'industrie
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FINANCE AND ECONOMIC AFFAIRSCOMITÉ PERMANENT DES FINANCES
ET DES AFFAIRES ÉCONOMIQUES

Thursday 10 October 2013

Jeudi 10 octobre 2013

The committee met at 0900 in committee room 1.

The Chair (Mr. Kevin Daniel Flynn): Okay, ladies and gentlemen, if we could call to order. If members could take their seats, we'll get the meeting commenced. Welcome to those members in the audience to the Standing Committee on Finance and Economic Affairs. We're doing our public hearings today. We're operating under an agreement from the House.

SUBCOMMITTEE REPORT

The Chair (Mr. Kevin Daniel Flynn): I'm going to ask Mr. McNaughton if he would read the Standing Committee on Finance and Economic Affairs draft report of the subcommittee.

Mr. Monte McNaughton: Thank you, Chair.

Your subcommittee met on Monday, October 7, 2013, to consider the method of proceeding on Bill 74, An Act to amend the Labour Relations Act, 1995 to alter bargaining rights conferred by pre-1980 working agreements in the construction industry, and recommends the following:

(1) That, pursuant to the order of the House dated Thursday, October 3, 2013, the committee meet on Thursday, October 10, 2013, to conduct public hearings.

(2) That the public hearings be held from 9 to 10:30 a.m. and 2 to 6 p.m.

(3) That the Clerk of the Committee post information regarding public hearings on Bill 74 on the Ontario parliamentary channel, the committee's website and on Canada NewsWire.

(4) That the deadline for requests to appear be 9 a.m. on Wednesday, October 9, 2013.

(5) That the Clerk of the Committee provide the list of interested presenters to each caucus following the deadline for requests to appear.

(6) That each caucus provide the Clerk of the Committee seven selections and five alternatives by 12 noon on Wednesday, October 9, 2013.

(7) That all witnesses be offered 10 minutes for their presentation and five minutes for questioning from the members of the committee, and that questioning be done on a rotational basis by caucus.

(8) That the deadline for written submissions on Bill 74 be 5 p.m. on Friday, October 11, 2013.

(9) That, pursuant to the order of the House dated Thursday, October 3, 2013, amendments to the bill be

filed with the Clerk of the Committee by 12 noon on Wednesday, October 23, 2013.

(10) That, pursuant to the order of the House dated Thursday, October 3, 2013, the committee meet for clause-by-clause consideration of Bill 74 on Thursday, October 24, 2013.

(11) That the research officer provide a summary of the testimonies to the committee following the deadline for written submissions.

(12) That the Clerk of the Committee, in consultation with the Chair, be authorized, prior to the adoption of the report of the subcommittee, to commence making any preliminary arrangements necessary to facilitate the committee's proceedings.

The Chair (Mr. Kevin Daniel Flynn): Very good. Thank you very much.

Is there any discussion? Seeing none, all those in favour? Those opposed? The subcommittee report is carried.

FAIRNESS AND COMPETITIVENESS IN
ONTARIO'S CONSTRUCTION INDUSTRY
ACT, 2013LOI DE 2013 SUR L'ÉQUITÉ ET LA
COMPÉTITIVITÉ DANS L'INDUSTRIE
ONTARIENNE DE LA CONSTRUCTION

Consideration of the following bill:

Bill 74, An Act to amend the Labour Relations Act, 1995 to alter bargaining rights conferred by pre-1980 working agreements in the construction industry / Projet de loi 74, Loi modifiant la Loi de 1995 sur les relations de travail pour modifier le droit de négocier conféré par des accords de fait conclus avant 1980 dans l'industrie de la construction.

CENTRAL ONTARIO BUILDING TRADES

The Chair (Mr. Kevin Daniel Flynn): Let's move on to our first delegation of the day. That's James St. John, business manager of Central Ontario Building Trades. James, if you'd introduce obviously yourself and your colleague; you've got 15 minutes like everybody else. I think we're trying to piece that out at about 10 minutes speaking and five minutes for questions, but you use that any way you like. The floor is yours.

Mr. James St. John: Good morning. Thank you for having us. My name is James St. John. I'm the business manager of the Central Ontario Building Trades, along with our counsel, Alan Minsky, from Koskie Minsky.

The COBT—and the 80,000 men and women whom we represent—strongly opposes Bill 74. It improperly interferes and terminates bargaining rights which were voluntarily established under the 1958 Sarnia building trades working agreement with EllisDon and, for that matter, all other pre-May 1, 1979, working agreements entered into by the building trades in Ontario, with the limited exception of 11 contractors, as explained in our letter dated September 26, 2013, to the Premier and all MPPs. I have copies of that letter, if anyone needs one.

In interfering and terminating bargaining rights created by the Sarnia building trades and, for that matter, the vast bulk of the other working agreements entered into by the building trades council in Ontario prior to May 1, 1979, Bill 74 interferes with the OLRB powers to regulate collective bargaining in Ontario under the Labour Relations Act and, anomalously, does so at the request of a single contractor.

As pointed out in the letter to Premier Wynne, Bill 74 is the antithesis of promoting and strengthening democratic practices in collective bargaining in Ontario, since it represents a unilateral and arbitrary initiative by the government at the instance of a single contractor to interfere/terminate bargaining rights under all working agreements entered into prior to May 1, 1979, with certain limited exceptions. The bill is contrary to the purpose of the act, which includes in section 2 of the act, "To facilitate collective bargaining between employers and trade unions that are the freely designated representatives of the employees."

Bill 74 does not promote collective bargaining in workplaces in Ontario, but arbitrarily terminates them without consultation with the affected employees and/or regulation or supervision by the Ontario Labour Relations Board under the act. Bill 74 therefore undermines collective bargaining and the role of the board in regulating collective bargaining in Ontario under the act.

Bill 74 is reminiscent of section 160.1 of Bill 69, enacted in 2000, which permitted the Lieutenant Governor in Council, by regulation, to deem bargaining rights by an employee bargaining agency and its affiliated bargaining agents to be abandoned with respect to an employer or class of employers with respect to all or any parts of Ontario. Ontario regulation 105/01 was issued in 2001 and relieved some general contractors from the effect of their respective Toronto building trades working agreements outside Ontario Labour Relations Board geographic area 8, and these deemed abandonment provisions were then repealed by the Legislature in December 2001, as a result of which other working agreement signatories could no longer apply for the termination of their bargaining rights created under these working agreements. In effect, Bill 74 places the provisions of section 160.1 of Bill 69 back into the act and brings the

death knell to working agreements in Ontario, save and except for the limited exceptions permitted under Bill 74.

Our legal counsel will add some further comments.

Mr. Alan Minsky: Good morning. I'm going to try to give you a little bit of background on working agreements and highlight Bill 74 as it involves working agreements, in addition to the 1958 Sarnia building trades working agreement with EllisDon.

The labour board has judged a number of cases over the last 20, 30, perhaps even 40 years involving working agreements. In 1984, in the Guthrie case, it said that working agreements have become very much a part of the unionized portion of the construction industry in Toronto and have been regarded as peace treaties and instruments for harmony in the construction industry.

Regardless of these characterizations, the working agreement has traditionally been used as an entry to unionized construction work and as a method for an employer to stay on side from the point of view of the craft trade unions and the construction industry.

The COBT, the Central Ontario Building Trades, my client, has operated under various names really since, I guess, the 1940s, and one of them was the Toronto Central Building and Construction Trades Council. It actually signed several hundreds of working agreements—not one or two or 10, but literally hundreds, going back to the late 1940s, early 1950s. The problem for the COBT in terms of Bill 74 for sure is the effect on the Sarnia agreement—absolutely opposed by COBT—but was amazed to see, when the fine print of Bill 74 was analyzed, that it reached out and swept into it all working agreements in Ontario entered into prior to May 1, 1979, with the exception of the working agreement for the 11 contractors mentioned in regulation 105, and where there had been settlements or certs in respect of working agreement signatories.

0910

That's the effect of subsections 163.6(1), (2), (3) and (4). When it comes to defining "working agreements" in subsection (1) of 163.6, it refers to all of them prior to May 1, 1979. When it talks about which ones specifically, it says in (3):

"The working agreements to which subsection (2)" — that's the termination provision — "applies include the working agreement" between the Sarnia building trades and EllisDon.

So whereas a number of people have focused, really, on the effect on the Sarnia agreement entered into with EllisDon in 1958, in fact, the proposed legislation is far broader than that, and it affects all working agreements, with the exceptions for the 11 contractors signatory to the Toronto agreement and where there had been settlements or certs or voluntary recognitions. It's very broad legislation.

My client is unaware whether other contractors have sought that protection or whether, just gratuitously, the bill adds it in—whether anonymously the bill just adds it in; because it looked like the bill was to focus on the EllisDon agreement. Again, we oppose that—but even

more so, this overriding sweeping-in of all working agreements across Ontario entered into pre-May 1, 1979, with the exception of the 11 contractors who are actually noted on regulation 105/01.

What's interesting is, when 160.1 was enacted back in 2000—repealed, as James said, in 2001—it actually allowed contractors to come to the minister and have their names placed on the regulation, and thereby deem abandoned their bargaining rights outside board area 8—that's the greater Toronto area—but retain bargaining rights to the building trades in 8. This legislation is strange in the sense that it now sweeps out all bargaining rights, board area 8 and otherwise, for all the other contractors. Contractors who didn't even apply in 2000 to have their names listed on regulation 105/01—now their bargaining rights across the province are swept away.

To make a long story into a short story, there's something wrong with this legislation in terms of its grand effect, not only in interfering with bargaining rights—including, most importantly, Sarnia's—but how it affects working agreements that, for example, were entered into for so many years and have had a positive effect on the labour relations climate and environment in Toronto. The COBT is proud of those working agreements, and I don't see those other contractors in this room saying, "Yes, we want to climb on board Bill 74."

I think I've probably used our 10 minutes now, so I've got to leave some time for some questions.

The Chair (Mr. Kevin Daniel Flynn): Very good. Thank you. I neglected to mention at the start that we're doing the questions and answers on a rotational basis.

We'll start with the Conservatives. Mr. McNaughton.

Mr. Monte McNaughton: Great. Well, thank you very much, Chair.

Before I ask some questions of you gentlemen, I'd like to welcome all the hard-working people from EllisDon today who took the time to join us at Queen's Park. I think this your second day in the Legislature this week, so thank you very much for coming.

To the presenters, thank you very much as well for being the first presenter today.

I just wondered if you could explain what your relationship is with LIUNA and the carpenters.

Mr. Alan Minsky: My own personal?

Mr. Monte McNaughton: Between the Central Ontario Building Trades and those two—

Mr. Alan Minsky: I'll let James answer that, then.

Mr. James St. John: The carpenters are not a part of the building trades. The building trades is an umbrella group over most of the trade unions within our geographical area that we represent. So the carpenters are not a part of that. LIUNA is a part of that.

Mr. Monte McNaughton: Okay. Would it not be more appropriate to call the controversy over this bill more of an internal family squabble between different unions?

Mr. James St. John: None whatsoever. No, not at all. The affiliates of the building trades strongly oppose this bill, collectively.

Mr. Monte McNaughton: Okay. Listen, I was the one who brought this bill forward and, of course, have had quite the amount of support from LIUNA and the carpenters on this bill. So that's the reason for the question.

Mr. James St. John: You mentioned two trades. Publicly, I haven't seen LIUNA come out with anything, and I dare say I don't think you have any supporting letter from LIUNA, so it's your word saying that LIUNA is supporting this.

The carpenters definitely support the bill. We know they support the bill. But you failed to have dialogue with the rest of the industry. The carpenters and LIUNA are two parts of the industry. We have several other trade unions that this bill is going to affect deeply, and we are here banding together opposing this bill.

I can appreciate your comments with respect to the carpenters. I don't agree with respect to LIUNA. We definitely don't agree with it when it comes to the rest of the labour movement.

Mr. Monte McNaughton: Okay. Thanks very much for coming today.

The Chair (Mr. Kevin Daniel Flynn): Thank you. Any other questions from the Conservative side?

Thank you very much for being here today.

ELLISDON

The Chair (Mr. Kevin Daniel Flynn): Our next presenter is EllisDon, represented today by Thomas Howell and Walter Thornton, if you'd come forward. Okay, if you'd make yourselves comfortable. I think there's some water there for you. Like everybody else, 15 minutes; use that any way you see fit. The questions this time will come from the New Democratic Party. If you would introduce yourselves for Hansard, the floor is yours.

Mr. Tom Howell: Good morning, everyone. My name is Tom Howell. I'm the vice-president of labour relations for the EllisDon Corporation. I'm joined here today by our legal counsel, Walter Thornton, and a number of our EllisDon employees in support of Bill 74. We'd like to thank the committee for giving us the opportunity today to speak to Bill 74 and answer any questions that you may have.

I guess what I'd like to do is begin by giving you a little information and saying that EllisDon is an employee-owned company that began in London, Ontario, in 1951. For decades, we have been a leader in the construction industry, and we are proud to be a unionized construction employer. We have many important relationships with those unions, both in Ontario and across Canada, and we expect those will continue long after these hearings.

While I expect that you will hear opposition today by many others regarding the bill, I doubt very much that you're going to hear any question regarding the importance of EllisDon's presence in Ontario or its integrity within the construction industry.

That said, I'll get on with business, starting first with why we find ourselves here today.

In February 2012, the Ontario Labour Relations Board ruled that a 1958 working agreement between EllisDon and two Sarnia building trades remains in force. The board did so having been convinced that the disputed agreement was proved as a business record and, once proved, EllisDon was automatically captured. The validity of that agreement was disputed by EllisDon, and the Divisional Court has since upheld EllisDon's position that the disputed agreement was not proved as a business record.

The board made a number of findings of fact, which caused it significant concern, and which ultimately lead it to conclude that the two unions in question should be estopped from asserting any claims for a period of two years in order to permit EllisDon to pursue this appeal to the Legislature.

The board said, "I find that the representation was made, by the unions that might then have claimed and now do claim bargaining rights through the Sarnia working agreement.... They represented that they would not enforce bargaining rights arising out of the Sarnia working agreement beyond what was found in the 1987 minutes of settlement such that it would 'torpedo' the effect of a modification to the Toronto working agreement."

0920

Now, we all know that, following the board's decision, the matter was referred to the courts. That occurred on September 27, wherein the majority of the three justices ruled that the Ontario Labour Relations Board erred in law and acted unreasonably when it found that the Sarnia working agreement was a proven business record. Further, the courts upheld the vice-chair's reasoning for establishing the estoppel—which is the two-year bar—but found that the only rational conclusion for the estoppel is that the estoppel must be permanent. With findings like that highlighted in the labour board's decision, and in light of the court's recent decision, one might ask why on earth the unions are here opposing Bill 74.

So why are we here today? Well, we're here, simply—for a number of reasons, obviously, but they boil down to the same thing: We're here because the affected unions have continued to seek to renege on the promise to EllisDon in 2000, which is confirmed in the labour board's decision and in the Divisional Court judgment. We are here because the unions apparently do not accept the Divisional Court's judgment and don't want Bill 74 to foreclose the possibility of ongoing litigation, despite the fact that there is no dispute whatsoever about what EllisDon was promised in 2000.

Why is it appropriate and why should the committee support this bill? First, it will result in finality with respect to these proceedings and any potential proceedings in relation to disputes over the application of the alleged Sarnia agreement.

Second, even if the trade unions that are not party to the decision or the judgment were prepared to forgo or waive claims based on the alleged agreement, which appears quite unlikely, it would be extremely difficult, if not impossible, to secure any enforceable agreement. Bill 74 does just that.

Third, there is quite simply no good reason for anyone to be concerned about the effect or application of Bill 74 in relation to the Toronto working agreement, and that's what you just heard about. All agreements affecting general contractors that were established through the Toronto working agreement were addressed in the 2001 deemed-abandonment regulations, and none of those agreements will be affected by Bill 74.

It is highly unlikely, if not entirely out of the question, that any general contractor that signed a working agreement effective beyond the GTA is currently operating in compliance with that agreement. There is similarly no good reason for anyone to be concerned about the effects of Bill 74 in relation to any working agreement that is being applied in any area of Ontario beyond the GTA.

I'd like to conclude by simply saying that Bill 74 is fair and will require those unions that seek to challenge the bill to abide by the promise that was made to EllisDon on their behalf by the Ontario building trades council in 2000.

With those comments, I'll be happy to take any questions.

The Chair (Mr. Kevin Daniel Flynn): Thank you. The questioning this time around goes to the New Democratic Party. Mr. Prue?

Mr. Michael Prue: I have the first question. I'm going to turn the floor after that over to my colleague Ms. Fife.

My first question: I start from the position that EllisDon is the most successful construction-type company in all of Ontario, bar none. Tell me if I'm wrong.

Mr. Tom Howell: I will tell you, as an employee of EllisDon, that you're correct, obviously.

Mr. Michael Prue: And that you are a billions-of-dollars company, and that, with the agreements in place that have been in here for years, you have been able to make billions of dollars and grow and prosper, and that the agreement you have been bound to for all of these years has not hurt you one tick, not one bit.

Mr. Tom Howell: Well, I would completely disagree with that statement.

Mr. Michael Prue: How have you been hurt?

Mr. Tom Howell: How have you been hurt?

Mr. Michael Prue: Yes.

Mr. Tom Howell: Well, we haven't been applying those collective agreements, which is why I disagree with the statement. Those agreements haven't been in application. They haven't been applied. We have not been awarding work purely to union contractors outside of the GTA since 2001.

If I were asked to bring statistical evidence with regard to what happened to us in the 1990s, I would have done so, but there was a substantial decline in hours and

revenues throughout the 1990s, when contractors were bound to all 25, and that has since reversed after 2001.

Mr. Michael Prue: My real question—I'm now getting to it. Is there any evidence that you can give this committee that EllisDon being bound to the sheet metal ICI collective agreement detrimentally affects, in any way, EllisDon's competitive position?

Mr. Tom Howell: Absolutely.

Mr. Michael Prue: Please give the evidence.

Mr. Tom Howell: The bid process for general contractors involves typically the lowest qualified bid. If we go into a market like Sault Ste. Marie or Sudbury or an area and our qualified pool of subtrades is limited to only those trades that are bound to a collective agreement with those unions, we are significantly limiting the competitive bid process. Our competitors are not bound to that process—many of them. Most of our foreign competitors that have come into our markets have no collective agreements whatsoever, and they are allowed to carry the lowest qualified price. It's the sum of those lowest qualified prices that gets the job. I can tell you, certainly, that that won't be EllisDon if we're carrying contractors from Toronto up to Sudbury because we don't get qualified bids in Sudbury or Sault Ste. Marie or other areas of the province.

Ms. Catherine Fife: Thank you very much. In addition to welcoming EllisDon, I'd also like to welcome the other unions who have come here today to voice their concern over this piece of legislation, and thank you very much for the presentation.

Just to continue on my colleague's line of questioning, isn't it true that projects where EllisDon faces real competition from European and other competitors is on heavy civil infrastructure projects, while the collective agreement at issue is only ICI?

Mr. Tom Howell: I would disagree with that. In fact, we are partners with some of those very companies on some large projects that include a vast amount of ICI work.

Ms. Catherine Fife: Then would you also challenge the statement that the sheet metal collective agreement specifically allows the business manager of the local union to address competitiveness of its contractors if they are faced with undercutting or productivity concerns?

Mr. Tom Howell: I realize what you are referring to is a stabilization fund, I take it, and I'm aware that they have a stabilization fund, and that would be applied to their subtrades, not to EllisDon. I would add that EllisDon does not and has never employed a sheet metal worker, an IBEW member or a plumber in its 63 years in business.

Ms. Catherine Fife: But couldn't EllisDon simply seek to negotiate with the local sheet metal workers' local if you truly did have competitive concerns?

Mr. Tom Howell: No. I don't see that that is at all practical. The companies that would typically do that would be those subtrades. What you're referring to is enabling. I used to enable quite a number of jobs in my past life, and I can tell you that it was a very broken

system that was typically quite a rush at the bid closing process to try to get people to agree to certain concessions to make unionized generals competitive against their non-union competitors. That is a very flawed system. EllisDon would not be in a position, as I see it, under any such agreement to call up the sheet metal union and ask for concessions, and that they would be applied in a timely manner to subtrades who might be bidding. That wouldn't include qualified subtrades that aren't bound to the union.

Ms. Catherine Fife: Doesn't Bill 74, as worded, though, affect more than the bargaining rights of the affiliated bargaining agents flowing from the EllisDon and Sarnia BTC working agreements only? You've heard the previous delegation.

Mr. Tom Howell: Correct.

Ms. Catherine Fife: This private member's bill pulls everybody along with it to benefit one company in the province of Ontario. How do you rationalize that with your language around being a strong union supporter?

Mr. Tom Howell: First of all, I didn't draft the legislation. I understand it was drafted by legislative—

Ms. Catherine Fife: But you're here supporting it.

Mr. Tom Howell: The primary reason for the legislation, I would say, is that it includes the EllisDon-Sarnia working agreement. I don't think it can reasonably be read to include those other agreements that my friends before claim it does. I would add that I don't think there's a single agreement, which is what I was making comments about in my presentation, that has been affected by that. In my previous role, I represented most of our competitors as well, and I happen to know what agreements they were bound to, and I can tell you that we're not aware of any contractor who is bound to one of those agreements that operates beyond the GTA. I think it's smoke and mirrors to say that it would affect anyone.

Ms. Catherine Fife: I think on this side of the House, anyway, we share the concerns of the previous delegation, as do the remainder of the unions that are also in this room.

Mr. Prue?

Mr. Michael Prue: I have a question, and I'm a little bit puzzled by the statement that you made today, and I have it in front of me here. You said, "We are here because the unions apparently do not accept the Divisional Court's judgment and don't want Bill 74 to foreclose the possibility of ongoing litigation...." EllisDon litigated the OLRB to the Divisional Court; why can't the unions take the Divisional Court higher up if they're not satisfied with that decision and think it's every bit as wrong as you think it's right?

0930

Mr. Tom Howell: I expect they will.

Mr. Michael Prue: So you're here because you want Bill 74 to stop them from following their legal rights.

Mr. Tom Howell: No. First of all, Bill 74 is a by-product of the labour board's decision. The labour board has made a number of findings of fact. It found and issued an estoppel on the basis of promises that were

made at the time of the deemed abandonment. Those were compromises made by all of the parties, and we're simply here trying to impress upon you that when people make deals, they should abide by them.

Bill 74 doesn't do anything offensive in that way. Bill 74 simply does what the labour board said and what is consistent with the decision of the Divisional Court: It enforces a previous agreement, and those are findings of fact, that those representations were made.

Mr. Michael Prue: But Bill 74, if passed, would negatively impact the union's appeal further up the court chain, would it not?

Mr. Tom Howell: You'll have to ask the unions what they think of that.

The Chair (Mr. Kevin Daniel Flynn): Gentlemen, we're out of time. Thank you for attending here today.

PROVINCIAL BUILDING AND CONSTRUCTION TRADES COUNCIL OF ONTARIO

The Chair (Mr. Kevin Daniel Flynn): We can move on to our next delegation. Our next delegation today is from the Provincial Building and Construction Trades Council of Ontario: Patrick Dillon, business manager. Pat, if you'd come forward; make yourself comfortable. You've been here before, Mr. Dillon; you know what the rules are. You get 15 minutes, like everybody else. If you would leave some time of about five minutes near the end for questions, they'll come from the Liberal Party this time. The floor is yours. Welcome.

Mr. Patrick Dillon: Thank you very much. With me this morning is Larry O'Neill, international rep with the sheet metal workers and roofers.

My name is Pat Dillon, business manager of the provincial building trades, representing 11 construction unions and 150,000 workers in the province of Ontario. First off, thanks for the invitation to speak to Bill 74. In the limited time I have, I will outline several reasons why our organization is opposed to this proposed piece of legislation and why we are concerned about the prospect of it coming into law. The bill sets a bad precedent, is unfair to workers and is, in fact, unnecessary.

Before I get to the bill, I would like to point out that this bill is one of several pieces of proposed legislation coming from members of the PC Party, who have systematically attacked in one way or another the collective bargaining rights of Ontario workers. This is a cause of major concern for us. We've seen Bill 73, which was defeated; Bill 80, which was defeated; Bill 94, which should be defeated; and Bill 74, which should be defeated. The clear pattern in these bills is that they privilege Bay Street over Main Street, and that is completely unacceptable for Ontario's working men and women.

First, I recognize that Bill 74 is about one specific general contractor in the province of Ontario, EllisDon—and by the way, I have no problem with it. I was saying that EllisDon is a respected general contractor in the province of Ontario. It is legislation that explicitly deals

with that one company; however, if passed, the bill has the potential to act as a catalyst in affecting many other general contractors, which may severely impact Ontario's construction industry as a whole by setting a precedent of legislative intervention in what is essentially a workplace issue.

Bill 74 would exempt EllisDon from being bound to the Sarnia working agreement that it signed with the Building and Construction Trades Council of Sarnia and Lambton County, eliminating with the stroke of a pen the legal bargaining rights of thousands of Ontario workers. That original agreement that EllisDon signed with the Sarnia building trades in 1958 helped lay the foundations of the company's business operations, and was an agreement that was freely entered into by both parties, who negotiated in good faith to have a contractual relationship from which EllisDon grew as a company.

Working agreements: We have met with Mr. Geoff Smith, himself, of EllisDon to discuss this issue. He expressed very clearly that it was not and is not the intent to impact any other working agreements, but you've heard this morning from Mr. Minsky and Mr. St. John that the potential is there for it to impact other working agreements. But obviously, Mr. Smith is not the author of the bill; Mr. McNaughton is. What Mr. Smith says may be what he believes, but that's not the way we see the bill as written.

Bill 74 talks about working agreements, which would indicate that the breadth of the bill goes beyond the 1958 Sarnia working agreement. We also would question the appropriateness of considering Bill 74 while at the same time there is a case pending before the courts. That was just mentioned in the questions with the last presenters.

For several months, EllisDon has been lobbying members of the Legislature to pass a bill that would excuse it from the Sarnia-area working agreement, which the company claims would help alleviate what it says is a "competitive disadvantage." I have to emphasize the fact that there could be a competitive disadvantage, but this has thus far only been proclaimed, and not demonstrated with any hard evidence whatsoever.

We therefore don't know for a fact if EllisDon is in the position it claims it's in. The reality is that if Bill 74 passes and EllisDon gets an exemption, that will produce a competitive disadvantage for other general contractors in the province of Ontario, such as Aecon construction, Alberici Corp., E.S. Fox—any number of other companies.

This is patently unfair to those contractors who are currently bound to working agreements negotiated in good faith, and may in fact lead to similar legislative interventions that these other contractors may call for, citing competitive pressures, to get similar alleviation from provincial Parliament. Such a scenario leaves construction workers stranded, and tilts balanced labour relations quite heavily in favour of employers, who will then have a false incentive to apply the competitiveness card.

Secondly, I wish to make clear to this committee that if EllisDon truly believes it is suffering from a competi-

tive disadvantage, we believe there are remedies at its disposal, pursuant to the Labour Relations Act, 1995. Namely, under section 163.2 of the act, EllisDon may apply for amendments to applicable agreements concerning issues like wages and other provisions that would make the employer more competitive. As far as we know, EllisDon has not made such applications, to date.

In any case, if there really is a problem with EllisDon's competitiveness, then the Legislature is not the place to correct that problem; the bargaining table is. Without hard evidence, and with section 163.2 at its disposal, it would be irresponsible to grant EllisDon the type of broad relief that is afforded to it by Bill 74, not to mention the competitive disadvantages that this may bring to other general contractors in the province of Ontario, sparking a race to the bottom that will gut working agreements and destroy free collective bargaining.

Some members of the Legislature, in speaking about Bill 74 during second reading, have referred to it as a way of correcting an anomaly, or a one-off remedial action that is of no great concern. On behalf of the workers that we represent, we couldn't disagree more with that kind of sentiment because we see this bill as both dangerous and completely unnecessary. Bill 74 will abrogate collective bargaining rights, and this kind of action will hurt Ontario workers and the province's economy.

As members of the Standing Committee on Finance and Economic Affairs, we therefore strongly urge you to think carefully about the ramifications of this proposed law, and we request that you defeat Bill 74 in the interest of balanced labour relations in the province of Ontario.

Just before I turn to the questions, there was a comment made here by Mr. Howell from EllisDon, whom I respect, but he quotes a comment that EllisDon was promised a particular action in the year 2000, and the decision from the labour board states that. That is not what was stated at the labour board. The person who supposedly made that promise is me. I testified at the Ontario Labour Relations Board that I did not make that promise—(1) didn't make it and (2) didn't have the authority to make it. I am not a bargaining agent for construction unions.

0940

So, yes, that accusation was made at the board. I denied that that had taken place, and the chair of the labour board chose to give his opinion of what was said, but that, in fact, is not true. And that's not the only error that the gentleman who was the chair of the labour board made in that case. Thank you.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Mr. Dillon. We've got about six minutes for questions. Mr. Del Duca.

Mr. Steven Del Duca: Thanks very much, Mr. Chair. Good morning, Mr. Dillon.

Mr. Patrick Dillon: Good morning, Mr. Del Duca.

Mr. Steven Del Duca: Thank you very much for being here with us today and for your comments. I have a

couple of questions and then, if there's time—and I'm sure there will be—my colleagues may have some questions as well.

In your opening statement, you referenced the fact that in the Labour Relations Act you believe there are other remedies that might be available for a company that finds itself in this position. Can you spend just a brief moment of time explaining what you believe those remedies are and help us understand better what you—

Mr. Patrick Dillon: I pointed out that 163.2 is a piece of legislation that was put in by the former Conservative government, which sets up designated regional employer organizations, so that if employers feel they're uncompetitive in a particular area of the province, they can bring evidence forward. If the unions don't agree—I think you ought to take that first step, at least try to talk to the unions about flexing and making a company competitive. But there's also part of that section 163.2 that, if the unions don't agree, there's an arbitration mechanism that you put your evidence on the table, and if your evidence is right, either the unions agree or the arbitrator will.

Mr. Steven Del Duca: The other question I had was—you're the third person to come before us this morning, and we've heard, obviously, differing opinions with respect to this notion about whether the language—

Mr. Patrick Dillon: Are you surprised?

Mr. Steven Del Duca: No, not at all. Not at all. In the year that I've been here, not much surprises me anymore, I've got to be honest with you.

Two of the presenters so far, yourself included, have led us to believe or have told us that the language in Bill 74 is perhaps potentially more broadly applicable, let's say, so that it's not dealing with one specific situation and one specific company. The first presenter, Mr. St. John, did mention a letter that I know was sent to members of the Legislature. Then we heard, of course, from EllisDon, which said they don't believe the language is that broad.

I'm just wondering, from your perspective—because we obviously have two differing opinions that have been presented to the committee so far about whether the language is too broad or it's not too broad or who might have drafted the bill or whatever the case may be—if, in fact, there is a concern that what's currently in Bill 74 is too broad, applies too broadly, and may adversely impact more working agreements than just those that affect EllisDon.

From my perspective, it seems that's the kind of thing that could be amended at committee, if need be, to make sure that the language is more surgical. I'm just wondering what your perspective would be if, in fact, that was an approach the committee decided—

Mr. Patrick Dillon: I guess, Steve, that is an interpretation that can be given. Mr. Smith himself told me that that was not his intent, but my legal advice is that that is what the legislation says. So that is one problem for us. The real problem for us is that we believe that a competitive problem, particularly for a single contractor,

or even a group of contractors, ought to be fixed at the bargaining table. That's the fundamental rationale of why I'm here.

I have been around probably almost as long as Bob, for quite a few years, and I've never gone long in the industry that I haven't heard contractors here or contractors there talking about some competitive disadvantage that they're at. Sometimes union contractors have competitive disadvantages with other union contractors, so the competitive card, I think, is one that gets played loosely.

I again go back to my statement, though, that if there is a demonstrated competitive disadvantage, the bargaining table is the place to look at it, and I would be very forceful with the unions that they should be looking at it.

Ms. Mitzie Hunter: Hello, Mr. Dillon.

Mr. Patrick Dillon: How are you?

Ms. Mitzie Hunter: Very well. Thank you for appearing this morning. We've heard Mr. Howell talk about his concerns about how this situation could potentially disadvantage EllisDon. Would you talk about how the Sarnia working agreement affects you?

Mr. Patrick Dillon: I don't understand. What do you mean? How does it affect me?

Ms. Mitzie Hunter: And what you're representing to the committee.

Mr. Patrick Dillon: Well, the—

The Chair (Mr. Kevin Daniel Flynn): You'll have to do that in about a minute, Pat.

Mr. Patrick Dillon: Okay. I don't want to get into the argument about what the labour board said and what the courts have said. Working agreements are something that, if two parties have agreed to sign and work under those conditions, to me, it protects—it gives workers—that's why we sign collective agreements: so that we have some idea of what conditions we would work under. The Sarnia agreement provides that, if it's expanded across the province, for three trades.

Ms. Mitzie Hunter: Is there a current contract that you're aware of that would be impacted?

Mr. Patrick Dillon: Absolutely. I named four different contractors, but I could name you 24 contractors that are all trades contractors in the province of Ontario, which means they're signed with all the trades, not just the three trades that would be added on to the Sarnia working agreement. Aecon construction, which is one that I think we're all familiar with here, would be impacted by this Bill 74 in a negative way.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Pat. Thank you for appearing today. We appreciate it.

Mr. Patrick Dillon: Thank you very much.

CARPENTERS' DISTRICT COUNCIL OF ONTARIO

The Chair (Mr. Kevin Daniel Flynn): Our next delegation this morning is from the Carpenters' District Council of Ontario. John Moszynski, Mark Lewis and

Paul Davis, if you'd come forward and make yourselves comfortable.

Mr. Paul Daly: It's Paul Daly.

The Chair (Mr. Kevin Daniel Flynn): Daly. Oh, what did I call you?

Mr. Paul Daly: Davis.

The Chair (Mr. Kevin Daniel Flynn): Sorry about that. Paul Daly. Welcome, Paul.

Mr. Paul Daly: Thank you.

The Chair (Mr. Kevin Daniel Flynn): Okay, like everybody else, you get 15 minutes. You use that any way you see fit, but we prefer you leave about five minutes at the end for questions, and the questions this time will come from the Conservative Party.

Mr. John Moszynski: Thank you. My name is John Moszynski. I'm senior general counsel for the Carpenters' District Council of Ontario. To my left is Mark Lewis, who is general counsel for our organization. He'll be doing most of the speaking this morning.

Mr. Mark Lewis: And you've already met Mr. Daly, who is a representative of the district council.

Very briefly, the Carpenters' District Council is the council of all 16 construction local unions of the carpenters, from one end of the province to the other, including Sarnia. We have just under 25,000 union members working on construction sites every day, including on the front of your building here, doing that fine scaffolding.

We are here to support the bill. Particularly, we are here to support what we see as the underlying principle of the bill, namely, to give some finality, some closure, to the consequences for EllisDon of a 1958 Sarnia working agreement and, in particular, to give certainty and finality to whether that agreement should lead to bargaining rights for the entire province for all of the building trades unions.

0950

We are obviously collectively a trade union, and individually we are trade unionists. We obtain, fight for, defend and enforce bargaining rights—collective agreements—or a living, and are very proud of that fact. So it's not very comfortable, it's not normal, it's not what we usually do, to come here and speak in favour of legislation which essentially eliminates bargaining rights.

Mr. Michael Prue: Then why are you doing it?

Mr. Mark Lewis: I'm getting to that, Mr. Prue.

We are here because, as everyone has said so far, EllisDon is a very important portion, a very important player, within the unionized sector of the construction industry. We feel our relationships with EllisDon are very important, as I think all of the unions that spoke here and will speak today do.

Our fundamental point that we think needs to be considered and reflected, whatever the Legislature ultimately decides to do, is that when promises are made, when arrangements are come to within our industry, they have to be lived up to, because that is the underlying principle, the foundation of labour relations, particularly in the construction industry. That's why we are here to support this bill.

What we feel—and you've obviously heard some of this already today and I'm sure you'll hear a lot more. But we feel it's vital, when you consider this bill and its intention and its effect—you have to be aware of the particular context. There is the broad historical context that comes out of what happened in the 1950s, 1960s and early 1970s. Construction unions and building trades councils in all the different parts of the province and employers would sign working agreements, some of which were project-specific, all of which—to my knowledge, in any event—were area-specific; they covered particular geographic areas. Whatever the people who signed those agreements thought they were doing, it defies imagination, from our perspective, to believe that they thought that what they were doing was going to transform into bargaining rights for all of Ontario for all of the building trades unions, which is up to 25 unions, but that's exactly what happened, based on the legislation.

As EllisDon has spoken about so far, by the mid-1990s that had caused particular problems for certain general contractors, and that became an extremely hot topic in our industry. It resulted—and this is, I think, very well articulated by Vice-Chair McKee in the board decision which ultimately results in this bill—in broad, industry-wide discussions between the general contractors and the unions and others as to what we were going to do. All of that was in an overall political climate, which I'm sure I don't have to remind anybody in this room—there was a government in this province which had very particular and strong views about unions. It was not a situation which any of the unions, in particular the carpenters' union, relished. It didn't make us happy, but discussions took place and an arrangement was eventually reached that everyone, at least at some point, felt they could live with and that could work for our industry and the participants within our industry.

That is not my opinion. That is the finding of fact of Vice-Chair McKee, who is the finder of fact in this matter when he dealt with it as the vice-chair of the labour board.

Within that context of coming to that arrangement, he also found, as a fact, that a promise was given to EllisDon on behalf of all of us construction unions that the Sarnia working agreement was not going to be relied on. I wasn't there in those backroom discussions in 1990-2000. Neither were any of my colleagues here today. But Mr. McKee, who is a very, very experienced vice-chair of the board, made that determination based on the sworn evidence that he heard.

Our view is quite simple: Having found that that promise was made to EllisDon, that promise should be lived up to. That is what the courts have also recently concluded, and that is the principle which leads us, the carpenters, to take the somewhat unusual position of saying this bill should be passed.

I would state my only caveat, and this comes from some of the discussions which have come up today—or our only caveat, I should say, from the carpenters' district

council, and there have already been questions about this: We believe that the bill is quite broadly written. It clearly is not limited to EllisDon. From our perspective, that's somewhat unfortunate. We obviously didn't draft this. Had we done it, perhaps we would have gone with the more targeted approach which, the last time this issue was dealt with, back in 1999 and 2000, it was dealt with. There are, from our perspective, some fairly simple amendments that could be made to try and make it more specific, one being the date, for example. The bill refers to working agreements signed prior to 1979. To deal with some of the concerns that have been expressed, it could be very simply amended to say anything before January 1, 1959. That would then include the EllisDon working agreement but would exclude all of those 1960s working agreements. But I'm not sure what working agreements anybody else is referring to. I haven't actually seen any other working agreements that other unions think would be eliminated by what is obviously the broader language of the bill.

With that, I think we're at our time limit, so I will stop now, though I'm sure we could all speak for hours on this, because we've spent lots of our working lives looking at it. We'll try to answer any questions you may have.

The Chair (Mr. Kevin Daniel Flynn): We've got a little bit less than four minutes. Mr. McNaughton, are you doing the questioning?

Mr. Monte McNaughton: I am. Thank you very much, gentlemen, for being here today. Also, I'd like to thank you and John for the letter of support for my private member's bill that was sent out on September 20.

I just wondered, Mr. Lewis, if you could just talk a bit about your background with the OLRB. Were you the vice-chair?

Mr. Mark Lewis: My background with the OLRB? I have been practising before the OLRB, the Ontario Labour Relations Board, since I became a lawyer—I can't even remember when that was now—over 20 years ago. Immediately prior to this particular position, which I hold now, I was a vice-chair at the Ontario Labour Relations Board for just over five years, so I was a colleague of Vice-Chair McKee.

Mr. Monte McNaughton: Great. We've heard from other presenters today, and I'm sure, going forward, we're going to hear from some more, claiming that Bill 74 is anti-union. Certainly, that was not the reason for me putting this bill forward. Is it fair to say that they're not fully understanding the issue at hand, or can you comment on this sentiment that some are saying that this is an anti-union bill?

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Mr. Mark Lewis: I'm not going to speak for any other union. I speak for the carpenters' union, and all of the other unions are obviously more than capable of speaking for themselves and expressing their own views.

I'm not going to say that this bill is not anti-union. Quite frankly, for the carpenters, that's not our concern with the bill. Why we are here to support this bill is be-

cause we want a promise that was made in those 1990-2000 discussions to EllisDon to be put into effect, and for some finality to be given. EllisDon is a company; they are obviously not a union, but we don't regard EllisDon as the enemy. EllisDon is a company which employs our members, just like it operates construction sites from one end of this province to the other, on which the members of all of these building trades work.

We obviously have to work with EllisDon in a symbiotic relationship. Sometimes we fight, sometimes we argue, but the point from our perspective is that if you make a promise, if you make an agreement, if you come to an arrangement—however much you disliked it, however much you felt you were forced to make it with a gun to your head—you have to live up to it, because that's how labour relations in our industry works.

Mr. Monte McNaughton: It sounds like many marriages.

Interjections.

Mr. Monte McNaughton: Any time, Kevin?

The Chair (Mr. Kevin Daniel Flynn): No, we don't.

Mr. Monte McNaughton: Okay. Thank you.

The Chair (Mr. Kevin Daniel Flynn): Okay. Thank you very much, gentlemen. On that note, thank you for coming today. We appreciated your presentation.

ONTARIO SHEET METAL WORKERS' AND ROOFERS' CONFERENCE, LOCAL 397

The Chair (Mr. Kevin Daniel Flynn): Eric Comartin is here from the Sheet Metal Workers' Local 397. If you'd come forward, Eric, and make yourself comfortable.

Thank you, Mr. Comartin. I think you were here at the start. You've heard what the rules are: 15 minutes; use that any way you see fit. If you could leave about five minutes at the end for questions, it would be appreciated. The questioning this time around will come from the New Democratic Party. The floor is all yours.

Mr. Eric Comartin: Thank you, Mr. Chair. As you indicated, my name is Eric Comartin. I actually, unfortunately, like the previous presenters, am also counsel to a union, that union being the Ontario Sheet Metal Workers' and Roofers' Conference and its affiliated local unions across Ontario, which are directly and adversely affected by this bill.

I'm here on behalf of David Bradshaw, the business manager of Sheet Metal Workers' International Association, Local 397, in Thunder Bay. Unfortunately, Mr. Bradshaw, who very much wanted to be here, is meeting with his orthopedic surgeon this morning and could not make the trip. I actually had some prepared statements to make, briefly, but after hearing both from EllisDon this morning and from the carpenters' unions, I think I'm going to elect to just answer a couple of issues and then perhaps get into, with my remaining time, whatever comments I had previously prepared.

You heard Mr. Dillon indicate that there might be a dispute in what was said before the Ontario Labour

Relations Board and what was found at the labour relations board. Unlike EllisDon and, to an extent, the carpenters, who aren't even party to that, I'm not going to litigate here. That's completely inappropriate. This is a live issue before the courts, and I want to make it very clear.

Let me say it very clearly that, either today or tomorrow, the Ontario Sheet Metal Workers' and Roofers' Conference will be seeking leave to appeal the Divisional Court decision to address what we believe are some inadequacies and errors made by the Divisional Court. That's no surprise. I hope that's no surprise to anyone here.

On that point, we consider Bill 74 and, to an extent, the public comments made by members of this Legislature to be wholly inappropriate, given that this is a live matter before the courts. This bill should not be here while we're litigating it.

To answer a question I think I'm going to be asked, because Mr. Howell said, "You should ask the unions about that," what this bill does, arguably—and of course we will argue it—is negate our ability to enforce our collective bargaining rights. If they had brought this before the labour board had ruled, we'd be done. If Mr. McNaughton and EllisDon had brought this bill before the Divisional Court had ruled and it had been passed, we'd be done. If you bring this bill and it passes before we seek leave or before the Ontario Court of Appeal rules, arguably, we are done.

Now, I don't know where you grew up, but I grew up in Ontario, and I'm a little bit younger than some of the people here and a little bit older than others.

Mr. Monte McNaughton: Thank you.

Mr. Eric Comartin: You're welcome.

But I don't think any of you think, at least I hope, that enforcing collective bargaining rights, the freedom of association, is something you should take for granted. I don't care if it's amended or not; passing this bill—even if it only affects sheet metal and the IBEW's right to seek leave to appeal—negates that very essence of freedom of association. If that's what you got elected to do, then I want you to bring that back to your constituents.

You see, I know a little bit about campaigning, and I look forward to campaigning on this issue if, in fact—and I say that not just as the lawyer to the sheet metal workers' and roofers' conference but as a citizen of Ontario. I look forward to campaigning on that issue across Ontario, and so do our members.

We were fortunate last weekend to have a convention. It's our yearly convention of our local unions, and we met in Ottawa. I had the benefit of speaking to that convention. I asked the members—I laid it out for them what we were facing on this bill. Our leadership had previously laid it out to them. I asked them, "Look, given everything we face and the problems we face and the competition that EllisDon is so worried about, and really just the attacks on the labour movement, is this really a fight you guys want to take on?" Every single one of them said yes. I bring that to your attention because it's

important for you to hear, and I bring that from Sheet Metal Workers' International Association, Local 397, and all of the members who were at that convention.

On a different point, I want to talk to you a little bit about what Mr. Lewis indicated about keeping promises. There was a promise; we're going to call that the first promise, and that was 1958 when they signed the working agreement, EllisDon with the building trades. But it wasn't a one-off: 1959, 1960, all the way up to, we say, 2004, they honoured that promise by assigning or subcontracting work that was in the scope of our collective agreement, the sheet metal collective agreement, to contractors that were tied to our agreement. It was a promise that was done on multiple projects over almost five decades. In 2004—again, we say 2004; they say 2001—EllisDon decided to change the way they do business. They're asking you here today to give effect to that change. That was the original promise.

Now, there may be a difference of opinion in what the labour board said in 2012, but again, you heard from Mr. Dillon on that, and I think he was pretty emphatic. At the very least, the promise that the carpenters and EllisDon want you to hear about is disputed. It remains disputed so long as this matter is litigated. I want you to really, really hear me when I say that. That disputed promise is still being litigated.

On that note, I'd like to take any questions you have.

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The Chair (Mr. Kevin Daniel Flynn): Very good. We've got around seven minutes left. We're going to Ms. Fife.

Ms. Catherine Fife: Thank you very much, Chair, and thank you, Mr. Comartin, for your comments. I'm still reeling from—

Interjections.

Mr. Eric Comartin: Sorry, Ms. Fife. I can't hear you because other people are talking.

Ms. Catherine Fife: Oh, sorry. Okay. Thank you very much for your comments. I'm still reeling from listening to the carpenters' union come in here and admit that they are supporting a piece of legislation that eliminates collective bargaining rights. I think that this piece of legislation has proven to be very divisive. I'm not sure if people fully understand that it is precedent-setting, following Bill 115; that going forward, if this passes, amended or otherwise, we will be in a position where any party moving forward can start negotiating collective agreements on the floor of the Legislature, which is wholly unacceptable, and that is not our role.

But I want to address some questions that I specifically asked of EllisDon—and I was dissatisfied, if you will, with the responses. Isn't it true that the sheet metal collective agreement specifically allows the business manager of the local union to address the competitiveness of its contractors if they are faced with undercutting or productivity concerns?

Mr. Eric Comartin: Mr. Howell did answer that question partially when you referred to stabilization and market recovery. However, if Mr. Howell had come to

speak to me or any of our local business managers, or actually had read our collective agreement, he would know about resolution 78 as well.

This is what the local business manager can do on his own. What resolution 78 does in our collective agreement is enshrine in our constitution, "Look, where you're facing, as a contractor"—including a general contractor like EllisDon—"significant competitive pressure either because of market forces or a downturn in the economy, or perhaps even just the cost of oil, you can come to us and say, 'Look, we have this problem. What can you do for us?'" The business manager of that local union is empowered to make the changes to that collective agreement for that job any time he or she wants.

Of course, EllisDon didn't know about that because they haven't talked to us. They brought this legislation forward before even having the opportunity to explore options for what they say are issues with competitiveness, right? He couldn't answer today because he hasn't talked to us about that.

Ms. Catherine Fife: My next question was, EllisDon could simply negotiate with the local sheet metal workers' local if they truly did have competitive concerns.

Mr. Eric Comartin: Sure. For example, in Sarnia, if we were to apply the Sarnia working agreement as it ought to be, EllisDon or other contractors like Aecon or E.S. Fox, for example, that had a large—I'm sorry, Mr. McNaughton; I'm just finishing. If they had that opportunity, of course our business manager would meet with them, if they could show a demonstrated need. I think that's really what the problem is here: They don't want to show a demonstrated need.

Ms. Catherine Fife: Doesn't Bill 74, as worded, affect more than the bargaining rights of affiliated bargaining agents flowing from the EllisDon/Sarnia BTC working agreement only?

Mr. Eric Comartin: Of course it does. All you have to do is look at it. This is silly to even be saying it's disputed.

Subsection 163.6(3) says, "The working agreements to which subsection (2) applies include...." "Include" means more than one, right? It is written unbelievably badly. Again, if anyone says this only affects the Sarnia working agreement, they're just being disingenuous.

Interjection.

Mr. Eric Comartin: Three minutes?

But on that point, it doesn't just affect this small area of working agreements; it affects provincial bargaining. What Mr. Lewis indicated in his submissions about contractors not being aware that they would be tied, through these working agreements, to provincial bargaining—he's 100% correct. But provincial bargaining came in in 1980 under a Progressive Conservative government—Miss Stephenson—to address labour unrest and labour-management instability and disagreements. That's exactly what you're inviting here with this type of legislation. The whole idea of provincial bargaining was to take those building agreements, like the Sarnia working

agreement, and make them province-wide. Now you're undoing that work.

Again, I'm younger than some—older than some—but I invite you to take a look at what construction was like in the 1970s. Anyone who was around and anyone who's aware of that: You don't want to go back there. And that's exactly what you're asking to do here.

Ms. Catherine Fife: I'd like to invite the labour critic to make comments.

Mr. Taras Natyshak: Just one.

The Chair (Mr. Kevin Daniel Flynn): It will have to be a short one.

Mr. Taras Natyshak: Thank you, Eric, for appearing today. My question is simply, who's next? This sets a dangerous precedent through this House. What other collective agreements that currently fall under the same scope or the same nature—which group of trade unionists, which group of employers is next to come to this House to seek—

Mr. Eric Comartin: I'll tell you what. I'll do you a favour, Mr. Natyshak. I'll give you one. If EllisDon really is having such a hard time with competitiveness, why don't you get rid of the carpenters' master agreement? Get rid of it. Get rid of it across heavy civil, ICI, everywhere, and then maybe they can actually take some sheet metal workers on.

Any other questions?

Mr. Steven Del Duca: That clearly wasn't scripted.

Mr. Eric Comartin: Actually, Mr. Del Duca, I am very good friends with Taras Natyshak. I guarantee, it wasn't. I'm happy to—

The Chair (Mr. Kevin Daniel Flynn): Let's go through the Chair.

Mr. Comartin, thank you very much for being here today. We appreciate it.

Interjections.

The Chair (Mr. Kevin Daniel Flynn): Let's keep the remarks down. We're almost ready to go back into the House.

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS CONSTRUCTION COUNCIL OF ONTARIO

The Chair (Mr. Kevin Daniel Flynn): The next presenter today is John Grimshaw from the International Brotherhood of Electrical Workers Construction Council of Ontario. He's the executive secretary-treasurer. Mr. Grimshaw, make yourself comfortable. Like everybody else, you get 15 minutes. Use that any way you see fit. Previous delegations have been leaving about five minutes for questions. Questioning this time will come from the Liberal Party. The floor is yours.

Mr. John Grimshaw: Thank you. As Mr. Flynn stated, my name is John Grimshaw and I'm here to speak on Bill 74 on behalf of the International Brotherhood of Electrical Workers Construction Council of Ontario. We're otherwise known as the IBEWCCO. We represent over 15,000 people across the province from 11 locals

and act as a province-wide bargaining unit for workers across the industrial, commercial and institutional, maintenance, residential, communications, line work, and renewable energy for solar and wind in the electrical sectors.

As one of the unions specifically impacted by Bill 74, I'm here to register our strong objection to this legislation. Our members across the province are deeply concerned by the implications of this bill and the blatant violation of workers' rights that it represents.

We are intimately familiar with the details of the ongoing situation with EllisDon. One of the most concerning aspects of this bill is that it is not being used as a measure of last resort after exhausting all options. It's being used as a quick fix by one company with political clout.

The IBEWCCO has made the effort to reach out to EllisDon to reach a mutually beneficial solution that would uphold collective bargaining rights. Mr. Comartin spoke about it just a few minutes ago. We have exactly the same procedures for ensuring that contractors are competitive. We understand that there are market forces out there. We approached EllisDon, and basically it was like we weren't even in the room. They had absolutely no desire to talk to us because they thought the legislative option was the best one.

As a matter of historical precedent, it's not the role of government to intervene when a singular, profitable company finds a particular working agreement inconvenient. The Minister of Labour has mentioned several times over the past few weeks that the government of Ontario believes in fair and balanced labour relations and has trumpeted the overall stability of labour relations in the province. Bill 74 signals the destruction of this tradition based on due process and negotiation.

There has been much discussion about the recent Ontario Divisional Court decision, which has made Bill 74 redundant and ruled that EllisDon could continue to operate under the status quo. The reality is that with limited exceptions, it is currently status quo for EllisDon to use unionized workers on their projects. We have worked with EllisDon for decades, providing highly skilled labour required for projects of all sizes. The company's first-rate reputation is due in no small part to the dependable expertise of our members.

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By continuing to push this legislation forward, the IBEWCCO is being subjected to the unseemly threat of legislation to pressure us into giving up our legal rights to an appeal. Is this the future of labour relations in Ontario: individual companies lobbying for pre-emptive legislation to prevent unions from exercising their legal rights? This is a very frightening prospect to us.

Even more disturbing is the fact that, when read carefully, it is clear that Bill 74 also aims to end hundreds of additional working agreements arbitrarily. Conveniently, there has been no mention or justification of this sweeping measure whatsoever by supporters of this bill. If the aim here is indeed to come to the aid of EllisDon,

as has been repeatedly asserted by Bill 74's supporters in the media and in the House, why isn't there any reference to other working agreements in the province?

As you consider this legislation, I urge you to carefully examine the broad implications of every aspect of the bill. What has been branded as a practical solution for an unfair competitive disadvantage is actually a blatant anti-union directive from one company. On its website, EllisDon states that Bill 74 would "remove any uncertainty and settle this issue permanently, ensuring that EllisDon is never placed in such a position again." Based on this statement, it is clear that EllisDon is not looking to engage in the customary labour negotiation processes to which it is legally bound, either now or in the future.

Please consider carefully the implications of this approach being adopted by the largest construction contractor in Canada. Regardless of the spin on this bill, it sets a dangerous precedent of violating the rights of hundreds of thousands of workers that cannot be overlooked.

Thank you for the opportunity to speak on this bill. I strongly urge you to vote against this legislation, both during the committee process and at third reading, should it return to the Legislature. Bill 74 is fundamentally wrong for the workers of Ontario.

I'll take any questions.

The Chair (Mr. Kevin Daniel Flynn): Thank you, John. The questions this time will come from the Liberal side. Mr. Del Duca.

Mr. Steven Del Duca: Chair, how much time do we have?

The Chair (Mr. Kevin Daniel Flynn): We've got about going on seven minutes.

Mr. Steven Del Duca: Thanks very much, Mr. Grimshaw, for being with us here this morning. I sincerely appreciate your very thoughtful and reasonable presentation to the members of the committee. I sincerely hope that the rest of the deputants that we have here, or witnesses that we have here, for the balance of today's hearings will be as thoughtful and as respectful of elected members as you have been. Unfortunately, one of your predecessors saw fit to not be quite so respectful earlier today.

Having said that, I listened very closely to what you said, and I'm wondering—I don't know if this is the right forum, but I'm going to ask the question regardless. Very respectfully, has the IBEW made a decision with respect to whether or not it will seek leave to appeal?

Mr. John Grimshaw: Not at this point. Tuesday is the deadline to file the paperwork. We have to view things on a day-by-day basis, I guess. My own opinion, if you would like, on this whole thing—

Mr. Steven Del Duca: Sure.

Mr. John Grimshaw: I can deal with this in the courts. I have no problem with it. If I go to the courts and I lose, that's what we do. If we go to court and we win, that's what we do. That doesn't bother me. What bothers me is that I've got legislation being jammed down my

throat to take away my rights to pursue that avenue. That's what bothers me more about this bill than anything.

Obviously, I like to protect the interests of my workers. I have a list in here; I don't know if anybody wants it, but we have a list compiled, and it's only a partial list, of the work that EllisDon has done since 2001 using our people. We are a big part of his success. For him to say that he is not competitive is a stated thing; it's not demonstrated by this list of projects.

Mr. Steven Del Duca: So you do have a good working relationship with EllisDon. You mentioned this in your comments, and I don't know if you want to elaborate on it. You do have a good working relationship with EllisDon that goes back decades. They are not what you would perceive to be, and I guess what any one of us would perceive to be, some sort of anti-organized-labour company? That's not what we're looking at here?

Mr. John Grimshaw: I see this whole push from them, using whoever from their political arena to push this forward, as something that would probably make them more profitable, and I hear that. I've got all kinds of contractors all over Ontario that are bound to us that would tell you in a minute that we absolutely need to work with these people on so many of these different projects or we would never be able to get them done.

But if we're bidding on something else where it might be a little bit easier for us to use a non-union contractor and make a little bit more profit, we'd be happy to do that. That's where this is leading.

I can see these other contractors saying, "What about me? You just let my competitor off the hook on something. What about me?" And so on and so on and so on. Is that where we're headed with labour relations in the province of Ontario?

Mr. Steven Del Duca: Actually, if I can just ask for a clarification from my standpoint, because all of the witnesses who have come before us today understand this far better than I do. Is the concern that other companies will come forward, sort of *carte blanche*, and ask for this kind of remedy? I'm trying to think of—maybe I'm wrong about this, but are there many others that we know of that would be caught in the exact unique circumstances that we're dealing with in this bill?

It's easy for someone to come forward and say, "This is the thin edge of the wedge; this is a slippery slope." But I'm just curious; I don't know. Are there many others? Are there any others? Is it just that we don't know if there are any others out that might be under these very unique circumstances that the bill deals with?

Mr. John Grimshaw: I'm sure the city of Hamilton would like out of their unique situation as well—

Mr. Steven Del Duca: Sure, but that's a separate issue. By the way, the city of Hamilton and others have tried to seek remedy through the Legislature and they've been unsuccessful—on a completely separate issue. But I'm talking about—

Mr. John Grimshaw: And the courts dealt with it.

Mr. Steven Del Duca: But I'm talking about specifically in this case, I'm just wondering—

The Chair (Mr. Kevin Daniel Flynn): Steven, let's have one question and give the gentleman time to answer.

Mr. Steven Del Duca: Absolutely.

The Chair (Mr. Kevin Daniel Flynn): Let's have the question.

Mr. Steven Del Duca: I thought he did answer, that's why I was coming back. The question was, is this just a hypothetical "there could be others," or is there a specific concern? I don't know. I'm asking this genuinely.

Mr. John Grimshaw: And I'll answer it genuinely. I have several concerns; that's one of them. I think I addressed all of the concerns we have. We have the same situation as the sheet metal workers. I approached EllisDon; I spoke with Tom Howell last night. I said, "We're happy to talk to you if you're having a problem." Whether or not—even if this goes through, if we lost this in the courts and they end up being not bound to us outside of board area 8, fair enough. I'd still want to talk to them to make sure they're competitive, because most of the time they do use our contractors. They have good relationships with a lot of our contractors. A lot of our contractors are concerned that this kind of thing is going to hurt their business down the road. It's not just the union that's upset about this.

Mr. Steven Del Duca: Thanks very much.

Ms. Mitzie Hunter: Mr. Grimshaw, I want to join my colleague—in your representation here today, and also the manner in which you represent your workers as it relates to the contractor in EllisDon, I do see that there is good faith there in your past history, and I just want to thank you for your presentation today.

The Chair (Mr. Kevin Daniel Flynn): Any further questions? There being none, John, thank you very much for being here today.

Mr. John Grimshaw: Thanks very much.

The Chair (Mr. Kevin Daniel Flynn): We're recessed until 2 o'clock this afternoon. Thanks, everybody else.

The committee recessed from 1028 to 1403.

ONTARIO PIPE TRADES COUNCIL

The Chair (Mr. Kevin Daniel Flynn): Okay, ladies and gentlemen, if the members of the audience could take their seats. We're still going to be joined by some other members, but I think we can get started.

First up is James Hogarth, the business manager for the Ontario Pipe Trades Council.

Also, two of the delegations have asked if they can change spots. The delegation that was due to appear at 3 would like to go at 2:30, and the person who was going to go at 2:30 is quite happy with that.

So, James, it's all yours.

Mr. James Hogarth: Okay. Thank you. Hopefully, I'll keep us within the time frame, and by my account,

you've used up the question period, so I'll try and go through this quickly and we'll get it back on schedule.

The Chair (Mr. Kevin Daniel Flynn): You're fine; you get the full 15.

Mr. James Hogarth: Okay. Thank you for the opportunity to speak to Bill 74. I'm James Hogarth, business manager of the Ontario Pipe Trades Council. I'm also the president of the provincial building trades council, but that was represented by Brother Dillon earlier today, so I'll just stick to my mandate. I represent all 22,000 workers from all 10 locals across Ontario.

Our members are highly skilled tradespeople, who work as plumbers, pipefitters, steamfitters, sprinkler fitters, HVAC technicians, welders, apprentices and so on. We work very closely with hundreds of contractors on projects of all sizes, in all regions of the province, and we're also very heavily involved in the apprenticeship training.

I'm here today on behalf of the members to express our strong opposition to Bill 74. While I can only speak for my members, I know from discussions with our signatory contractors that many of them also oppose Bill 74, as it explicitly favours one large player.

What is being described as a practical solution to a specific problem is in fact the opposite. This bill represents a departure from the standard negotiating practices and sets a dangerous precedent for the violation of workers' collective bargaining rights here in Ontario. It is particularly inappropriate for this legislation to be considered before the ongoing legal considerations have been concluded, a blatant violation of the unions' right to due process.

Bill 74 seeks to impose legislation on the part of a single, highly profitable company, EllisDon. Let me be clear: EllisDon is not a struggling company. Based on publicly available information, the company generates more than \$3 billion annually in revenue. If EllisDon is permitted to seek legislative solutions for a collective bargaining matter, as one of the top market performers in construction, what precedent is that setting for companies with a smaller market share?

Construction is by nature a cyclical business. Bill 74 easily prompts companies to seek a similar legislative solution instead of meeting their signatory obligations. This is not fearmongering; it is a likelihood that companies would seize upon this opportunity if legitimized by this bill. While it may appear to be a bill specific to one company, it is clear that a precedent would be set for other construction contractors. Unique circumstances could be invoked for many other cases, to the disadvantage of Ontario workers.

Furthermore, I would like to clarify the fact that this bill applies to all pre-1979 working agreements with the exception of 11 companies specifically named in the Ontario Labour Relations Act. That has been repeated numerous times today. We hear to the contrary that it's just EllisDon, but we've heard it from everyone, and we're very clear on the fact that this allows a lot of com-

panies off the hook due to the pre-1979 working agreements.

The EllisDon working agreement with the Building and Construction Trades Council of Sarnia and Lambton County named specifically in Bill 74 is just one of hundreds of working agreements that would be terminated when the legislation comes into force. That's hundreds of working agreements across Ontario arbitrarily ended for no lawful reason whatsoever.

This carefully crafted bill that, for the record, did not include consultation with the unions involved, or with the contractor community for that matter, fundamentally seeks to strip away the rights of hundreds of thousands of Ontario workers. By extension, Bill 74 would have a ripple effect on the contractors affiliated with these hundreds of working agreements. It is for this reason that our affiliated contractors are standing with us in opposition to Bill 74.

It is true that labour relations can be intense at times. It is also true that, in the day-to-day operations of the construction industry, contractors such as EllisDon and local unions collaborate on projects of all kinds. It is in the best interests of the union that contractors are able to bid competitively, because if they are not successful, our members don't have work. It's as simple as that.

It is also in the best interests of the contractors that we supply a pool of dependable, highly skilled labour. The successful completion of a project is often directly related to the quality of our tradespeople.

EllisDon has a strong track record of successful bids. They are Canada's largest healthcare builder, and they lay claim to many high-profile projects such as McDonald's restaurants, the Ritz Carlton, the Art Gallery of Ontario and so on. Clearly, this is not a case of a competitive disadvantage being an unreasonable burden on a single company. This bill is designed to eliminate one particular working agreement deemed inconvenient, and delete several hundred others as a fringe benefit.

It is interesting to note that there are certain unions that have quietly offered their support for Bill 74. Despite the risk of precedent, they have decided to back Bill 74 because they do not stand to lose their bargaining rights, due to the direct nature of their relationship with EllisDon. They stand to benefit, because they are not under immediate threat by this bill, and they have decided that the risk to the union movement is worth whatever short-term gains they may enjoy. Please do not mistake the stance of these unions as representative of the needs of the industry.

1410

Bill 74 is not only unusual in its government interference with a working agreement but also specifically targets skilled tradespeople, a vital part of our labour force in need of replenishment. The impact of this legislation will not be lost on our apprentices and new recruits.

I urge you to seriously consider the implications of Bill 74 and vote against this legislation at third reading. The claimed benefits for one company are not worth the

damage done to the livelihoods of workers across Ontario and the dangerous precedent for tradespeople of Canada.

Thank you for affording me the time to speak before you.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Jim. You've left about seven minutes, and the questioning this time goes to the Conservatives.

Mr. Monte McNaughton: Thank you very much for your presentation. Really, we don't have a lot of questions. I was just going to ask you, how many of your members in the pipe trades work for EllisDon now? How many would they hire, say, on an annual basis?

Mr. James Hogarth: Well, it's hard to say on an annual basis. It's determined by what stage the projects are at, what type of work it is, where the work is and the size of the project.

Mr. Monte McNaughton: But could you give a figure of how many of your workers would work for EllisDon?

Mr. James Hogarth: On an ongoing basis on, say, a large hospital project, it could be upwards of 250 to 300 on one project, if it's a large hospital.

Mr. Monte McNaughton: What's your history with EllisDon as far as relationships over the years? Have you worked well with them for a number of years?

Mr. James Hogarth: I haven't had too many dealings with EllisDon, because we haven't really had problems with them. Our contractors do work for them, and in turn our members work for them. But over the last 10 years a lot of their projects have been done by union labour, so why do they need the relief?

Mr. Monte McNaughton: Okay. I don't have any other questions. Thank you very much for coming today.

Mr. James Hogarth: Thank you.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Jim. Thank you for attending.

Mr. Monte McNaughton: I'm sorry. Doug does.

The Chair (Mr. Kevin Daniel Flynn): Mr. Holyday.

Mr. Douglas C. Holyday: Yes, I just have one. I guess, in listening to all the deputants, there seems to be one union group in favour of the bill, and other groups maybe not in favour of it. I'm wondering if you people have sat down and tried to work out some compromise or some solution to this problem. I know EllisDon seems to be a highly regarded company by workers and certainly by others.

Mr. James Hogarth: Well, seeing that you're opening the door here, I know the IBEW and the sheet metal have gone through long, protracted dealings at the OLRB and Divisional Court and all of that.

The Ontario Pipe Trades filed a grievance, and prior to filing the grievance, along the same lines, I phoned EllisDon. I left a message for EllisDon: "I'm going to file a grievance. Can we speak? Can we sit down and talk and maybe work something out?" I got a response back by their legal counsel: "Do what you got to do." So this is the union reaching out and saying, "Let's sit down and talk," and the other side saying, "Do what you got to do." They'll take it through another route.

Mr. Douglas C. Holyday: So you don't think there's any room, then, and that this is a matter that must go to court? I mean, lots of times the court itself would tell you to go back and talk it out.

Mr. James Hogarth: I speak with all the trades. I don't speak for them, but I speak with them. We're always, always willing to sit down and talk with signatory contractors and non-signatory contractors in an effort to make them successful and, in turn, ourselves.

Mr. Douglas C. Holyday: Well, I guess this is a message to you and maybe to others here as well that before this matter actually gets to a vote at the Legislature, do you think there would be some opportunity for the people to sit down and see if they can come up with something?

Mr. James Hogarth: I don't know. What's the timeline?

Mr. Douglas C. Holyday: I don't know, but it's not going this week, so it's not as if it's going to be tomorrow.

Mr. James Hogarth: At the drop of a hat, so to speak, I couldn't answer that. But we're always willing to sit down and talk with contractors, developers, builders, cities, municipalities—anyone.

Mr. Douglas C. Holyday: Thank you.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Jim. Thanks for coming.

Mr. James Hogarth: Thank you.

The Chair (Mr. Kevin Daniel Flynn): Next up is Steve Martin from the IBEW, Local 353. Steve? Is Steve here today?

Interjection: No.

UNITED ASSOCIATION OF PLUMBERS AND STEAMFITTERS, LOCAL 46

The Chair (Mr. Kevin Daniel Flynn): Okay, well, let's go on. This will probably be good news for Bill. You want to get on a flight, so you're up here. Come on forward.

We've got Bill Signal, business rep from UA Plumbers and Steamfitters—one I'm very familiar with, my dad's old Local 46.

Mr. Bill Signal: Good afternoon.

The Chair (Mr. Kevin Daniel Flynn): Just like everybody else, Bill: 15 minutes. Ten minutes for a presentation and five minutes for questions—

Mr. Bill Signal: That would be fine with me. I'm flying off to Australia this afternoon.

The Chair (Mr. Kevin Daniel Flynn): Then you're on your way.

Mr. Bill Signal: Thank you for taking the time to listen to me in regard to objecting to the implementation of Bill 74. To have this bill presented to Queen's Park and EllisDon asking for relief from their obligations pertaining to their collective agreements with the various subtrade unions is outright wrong.

Understanding the Carpenters and Joiners union along with the Labourers' International having province-wide

agreements puts them in the position that they can agree with EllisDon, as it does not affect them in regard to their collective agreements. What it does do, though, is allow these two unions to organize the subtrades into one or the other's union. The two trades having collective agreements then would be able to organize by telling the subtrade unions if they joined the carpenters' or the labourers' union. They would be able to work under their umbrella.

Let's be candid about this: Both unions have been raiding other trades for years. It is well known in the United States that the carpenters have gone after the electrical union along with other subtrades in outright organizing of unionized workers. The carpenters' union disaffiliated from Change to Win after other affiliates in the Change to Win Coalition demanded the carpenters cease raiding other union memberships.

I'd like to make a correction in my notes, after this.

In fact, the carpenters do not belong to many building trades councils in Canada. The labourers' union in Ontario has been doing the same thing outside of the ICI sector as well, but not in the ICI. I'll give them credit for that.

As far as EllisDon seeking relief, I ask: relief from what? Excellent craft unions that have earned them the reputation of being first class? Can it be relief from the billions of dollars they have earned through the P3s that the province of Ontario has put forward?

Is this the thin edge of the wedge of allowing all general contractors out of their collective agreements with the subtrades throughout the province? Will this allow the carpenters with no affiliation to many building trades to do traditional work which is normally done by these other crafts?

EllisDon, along with many other general contractors, had their eyes wide open and understood what they were signing when they agreed to hire unionized subtrades along with the carpenters and labourers.

Prior to province-wide bargaining being introduced, the building trades councils in the various areas of this province approached the general contractors, negotiating local agreements. This is how the Sarnia agreement was created. There are many more agreements throughout this province that this legislation will wipe out, as the mover of the bill fully knows. The introduction of this legislation and especially the dates involved demonstrate the continued wiping out of legally-agreed-to agreements with general contractors.

I came from the era of local agreements being signed with general contractors. I started my trade in the era prior to province-wide bargaining—as you can see by my grey hair—where each community of trades negotiated their own collective agreements at a fair market value in their respective areas.

A member of the Legislature, Mr. Monte McNaughton, states that it will save thousands of Ontario jobs. I would say that there will be no savings of jobs or creation of any more. The same jobs will be there but the workers will be working for less, not having a union to

speak for them or protect their craft or their health and safety on the job. The question of health benefits and pensions for workers would be in question as well.

1420

Is this member of the Ontario Legislature attempting to create a war between the trades? Is this the same province that holds up agreements and treaties hundreds of years old that were made with natives, stating that they signed off and they no longer have a claim for mining areas, hydro rights of way, possibly an area of the province where the natives agreed to give up their timber rights?

A deal is a deal, as they say. As I explained to the 8,000 members of the United Association of Plumbers and Steamfitters in Toronto, we have a collective agreement. It is signed by both parties and we live by it. If we violate the agreement, the mechanical contractors can take us to the labour board to uphold what we have agreed to. Likewise, we can do the same.

I find it surprising that the provincial Liberal government would put their support toward this private member's bill, creating disharmony between the trades. Consider what you are doing to the sub-trades and the families of Ontario's unionized trades. Everyone is watching this very closely.

I thank you for the time. I look around this room and I think of the people who came out of construction. If they didn't come out of the construction industry, their fathers did. It has been a very prosperous, ongoing, good working opportunity for unionized general contractors. I'm appealing to you to consider what you're doing with Bill 74 because of the disharmony that it'll put forward. Thank you.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Bill. You've left about seven or eight minutes for questions—eight minutes. Ms. Fife, or Michael?

Mr. Michael Prue: Go ahead.

Ms. Catherine Fife: I'll go first; thank you. Thanks very much, Bill, for your presentation. You've expressed some frustration about this process, for good reason. Do you think it's a good precedent to pass legislation that allows only one company to be relieved of its collective bargaining obligations? What implications do you see if this does pass and if it does come to the floor for third reading?

Mr. Bill Signal: I believe that it's unfair for this company to be doing this, to start off with. The implications of all the other general contractors throughout this province, that each and every local union has negotiated individual agreements, building trade agreements—they'll be up in the air. We could have a serious situation in the future that we'll be lining up at the labour relations board trying to fight our way through situations where we've had long-standing agreements that will be wiped out. We'll be standing on the street saying, "What happened?"

Ms. Catherine Fife: Thank you, Bill.

Mr. Michael Prue: We've heard evidence this morning from other unions stating that their business agents

are allowed to negotiate with EllisDon if they believed or if EllisDon comes forward and tells them that they're at a competitive disadvantage. The business agents can take this into account and make some contractual changes. Does this happen at all with the plumbers and steamfitters?

Mr. Bill Signal: Yes, it does. We have sometimes been approached. We have two things that happen sometimes. We'll have a pre-job, where all the trades will sit down and negotiate possibly an agreement to assist the general contractors to win the bids.

Mr. Michael Prue: Now, when EllisDon was here this morning—I can't remember their exact words, but it seemed to me that they thought this was very rare or never happened at all.

Mr. Bill Signal: It happens many, many times—many, many times in many, many different communities in this province.

Mr. Michael Prue: And has EllisDon come to your union at all in the last couple of years for this? Have they come forward? Because now they're seeking a hammer of a legislative change where you say you just sit down and talk.

Mr. Bill Signal: I'm going to reflect back to the Toronto international airport, which I'm going to be going to. When they were rebuilding that total airport, it wasn't EllisDon that built it. But the general contractor knew there were 2,000 or 3,000 workers—construction workers—on that project, and they said, "We understand that your start time is 7 o'clock, and anything before that is double time. So how about assisting us with the time starts?"

I, as the rep for the plumbers' and pipefitters' union, said, "Okay. What do you want?" And they said, "Well, if we can start at 6."

I said, "Listen, on behalf of the members of Local 46, I agree with a 6 o'clock start, and there won't be any overtime. It will be at straight time. They will go to work, and they'll finish one hour early."

There was a handshake made. The sheet metal was there; they made their deal. I think they started at a quarter after 6. There were carpenters; there were other trades.

It was a massive project, and everyone started at a separate time. They had buses to bring tradespeople in, buses to bring tradespeople out, because you can imagine 3,000 people trying to drive their cars out at the same time. So it was an orderly agreement that took place.

The health and safety—it was the same thing. We sat down and we resolved some of the issues in the health and safety. In the old Terminal 3, we had asbestos problems. We were able to agree to work together.

But this is the most disharmony, you know, that I can see. But working with the general contractors, we've always done that, and that's—

Mr. Michael Prue: I think my colleagues on the other side have some questions, if there's time.

The Chair (Mr. Kevin Daniel Flynn): Yes, there's about three minutes left.

Mr. Paul Miller: Good afternoon, Bill.

Mr. Bill Signal: Hello.

Mr. Paul Miller: I share your background. I have about two or three trades.

I can see that this company is trying to create a monopoly, which is very scary. I also believe that the—I'm quite stunned at the carpenters' position, being fellow tradespeople, that they've taken a position of basically taking care of themselves, which is pretty scary. They've obviously had a history of that in the States too, I see.

Mr. Bill Signal: Yes.

Mr. Paul Miller: There are ongoing problems. I can give you an example. I've got a problem going on in Hamilton right now where there's some question of the IBEW has got some problems that—this contractor has decided that he's going to eliminate unionized trades from the job and allow labourers to do some electrical installation, which is unacceptable, because there are construction codes in this country that we have to follow as tradespeople, and you want quality work.

So would it be fair to say that if this ever went through—and heaven forbid if it does—it would cause some safety concerns on job sites for the company being in control of who they determine can do what, and the grey areas—there are always grey areas in contracts where you could put in this fitting and maybe get away with that, and you could solder this and get away with it. Do you think it's going to cause a problem?

Mr. Bill Signal: Yes. In fact, in the past—I can reflect back to Sudbury. There was a hospital built there, and they had cross-connections. People died because of the gases; they were fed the wrong gases when they were having an operation. So the legislation had to come in and make sure that there was certification for medical gas.

Mr. Paul Miller: Well, I'm glad you brought that up, because I remember a project in Hamilton called Century 21—a huge building complex they built up, and for 10 years after, they had had nothing but problems—pipes breaking—non-union trades in there. I'm not saying non-union trades aren't good, but, certainly, there was no follow-up, and they had nothing but problems with that building. People had to move out of the building. They couldn't even live there anymore. They had to renovate, fix—it went on for years.

So my concern is also safety. I think the certified tradespeople in this country are good, and they know their stuff. I think that when a company takes control of a job site—and I'm also concerned about the bidding process. If you've got a monopoly, you can undercut other bidders who want to come in there and do good work, that have unionized trades workers that want to work. These companies—EllisDon has got a big pocket, and they can certainly squeeze out. Would that be a fair statement too?

Mr. Bill Signal: I'd suggest that it would be fair, yes.

Mr. Paul Miller: Thank you.

The Chair (Mr. Kevin Daniel Flynn): There's time for one very short question and one very short answer. We've got about a minute left.

Taras?

Mr. Taras Natyshak: I'll ask you the same question that I asked Eric Comartin this morning: Who's next? What's the next trade to fall under the same fate as—

Mr. Bill Signal: Who's the next big contractor?

1430

Mr. Taras Natyshak: Yes.

Mr. Bill Signal: Maybe Aecon or Comstock—all of the major general contractors in this province which we all have collective agreements with.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Bill.

Mr. Bill Signal: Thank you.

The Chair (Mr. Kevin Daniel Flynn): Thank you for coming today. Enjoy your flight.

Mr. Bill Signal: Thank you very much.

The Chair (Mr. Kevin Daniel Flynn): Is Steve Martin here yet, from the IBEW?

Interjection.

The Chair (Mr. Kevin Daniel Flynn): The guy with an arrow through his head.

SHEET METAL WORKERS' AND ROOFERS' INTERNATIONAL ASSOCIATION, LOCAL 30

The Chair (Mr. Kevin Daniel Flynn): No Steve Martin? Okay, let's go on to Sheet Metal Workers' and Roofers' International Association, Local 30. Chris Paswisty, if you'd come forward and make yourself comfortable. Like everybody else, you get 15 minutes; use that any way you see fit. This time, the questions will be coming from the Liberal Party.

Mr. Chris Paswisty: Okay.

The Chair (Mr. Kevin Daniel Flynn): The floor is yours.

Mr. Chris Paswisty: Thank you very much. I want to thank everyone on the committee for allowing me the time to come and speak here on this important matter. My name is Chris Paswisty. I'm the business manager and financial secretary-treasurer of local union number 30.

Local 30 represents thousands of construction workers in the greater Toronto area, and our members will be directly impacted by this bill. We're not in favour of this bill; in fact, we could not be more strongly opposed. We are concerned with both the way this bill has come forward and its content.

The perception of our members is that this bill has been packaged with other bills and put on a fast track by two parties that are recipients of significant donations from EllisDon. There is no secret that EllisDon is the reason this bill exists and that EllisDon would be the primary beneficiary, but there is more to the story than this, and it was a Progressive Conservative MPP that brought it to light.

As we all know by now, the Progressive Conservative MPP indicated that the suggestion was made within the Tory caucus that the PC Party could continue to benefit financially from EllisDon if this bill was passed. The Progressive Conservative MPP was concerned that support for the bill might be a violation of the Legislative Assembly Act and that it might hurt his party's future electoral prospects.

Our concern here is not only a possible violation of the Legislative Assembly Act, but the greater threat that this kind of behaviour poses for our political system as a whole. It looks and smells like another example of how proper functioning of our political system can be subverted by undue corporate influence. We need to take a hard look at how we, as Ontarians, want our political system to function, and we can start on the right path by having all members of this Legislature oppose this bill.

But that's only part of the reason why this bill must be opposed. Much has been said, and rightfully so, about how inappropriate it is for one company to demand legislation to address what it perceives to be unfair treatment, but we in the labour movement have a hard time understanding how being expected to honour an agreement that was entered into freely and voluntarily is unfair.

Why is it unfair for workers to expect a company to live up to its written commitments? Why is it unfair for workers to expect that our bargaining rights will be respected? We're talking about basic, fundamental rights that have been a feature of labour law in this province for generations. Unfortunately, we've seen these rights put to the sword by our governments in recent years, and this bill is just another example of this trend.

But here again, when we talk about what one company wants, we are only talking about part of the story. That's because, despite the focus of the discussions being on EllisDon, this bill actually goes beyond EllisDon. In one of its own press releases about the bill, EllisDon says that this bill is about closing a "loophole in construction law," a loophole that affects only EllisDon.

But it would appear—and I hope that I'm wrong, that there is no sleight of hand here, because when you actually read the bill, you will find that this bill is not closing a loophole. It is slamming a door on all the bargaining rights that were lawfully created by any working agreement in the province of Ontario that was signed prior to May 1, 1979, unless that working agreement was subject to the "deemed abandonment" regulation that took effect during the Mike Harris years, or unless those bargaining rights were retained in other limited circumstances. What this means is that bargaining rights created by hundreds of working agreements in this province—bargaining rights that were lawfully acquired, by the way—will be extinguished by a private member's bill that was intended—or so we thought—to redress what has been mistakenly characterized by some as an unlevel playing field for EllisDon.

In its public statements about the bill, EllisDon had said that this bill is about preserving the status quo. Let's

be clear: There is nothing status quo about eradicating hundreds of working agreements at a stroke of a pen.

We feel that this bill is a mistake, a mistake that we believe no government, no party and no group of politicians has a mandate to bring forward, and we're deeply troubled by the content of this bill and the message it sends to working people.

I'd like to thank you for your time and I hope that you guys oppose this bill going forward. Thank you.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Chris. You've left about nine minutes for questions. Mr. Del Duca.

Mr. Steven Del Duca: I sincerely appreciate you being here today and providing us with your opening statements. I didn't hear clearly the opening of what you said. I just wanted to clarify for my own sake. So Local 30 of the Sheet Metal Workers and Roofers International Association is based in the GTA?

Mr. Chris Paswisty: Correct.

Mr. Steven Del Duca: Okay. So the geographic zone or area for Local 30 is the greater Toronto area. Does it go beyond? I don't know.

Mr. Chris Paswisty: Yes, it does. We actually have seven board areas in Local 30's area, so board area 8, which is the general greater Toronto area, is one of them.

Mr. Steven Del Duca: Now, maybe I don't understand this correctly, so if I don't, I apologize again. But in the GTA, when EllisDon does do work, if I understand it correctly, they do use unionized labour. Is that not correct?

Mr. Chris Paswisty: Correct.

Mr. Steven Del Duca: Sort of wall to wall, as the saying goes in the industry, right?

Mr. Chris Paswisty: Yes. I can only speak for sheet metal and roofing.

Mr. Steven Del Duca: One of the other things that you did say—and you're not the first one to have mentioned this to us today—is this notion that the way Bill 74 is currently crafted, inadvertently perhaps, for whatever reason, the language is too broad, and that it's not simply about maintaining status quo. It catches a lot more than just dealing with one particular instance, one particular company. I heard you say that; we've heard that from many of the witnesses who've been here so far today.

I believe I asked this question earlier today of Mr. Dillon, who was here—I forget if it was Mr. Dillon or someone else that I asked the question of—regarding the notion that, of course, when we get to the point at which bills are amended at committee, for those who do have concerns, maybe valid concerns, about language in the bill being too broad and capturing far more than was originally intended, those kinds of things can be dealt with at committee, we can apply a certain degree of—let's call it surgery—at committee by way of an amendment to narrow the language to make sure that an unintended consequence from any legislation, not just Bill 74, doesn't actually unfold. I'm not sure if you were in the room earlier today or not to hear that conversation.

I'm just wondering about your perspective on if this committee sought to narrow and make sure that this was something that dealt exclusively with this particular situation regarding this particular company.

Mr. Chris Paswisty: I think I understand your question. I don't know the process so I don't know what can be done at committee. But I guess the question is that if there's a path that workers have to address their concerns, we're asking that the committee not stop that path.

As you heard earlier today, we've talked to our members and the grave results of this bill passing will go right across the province. So I would ask this committee that we have a process in place, a process that has kept stability in this province for generations, and that you allow it to go through the process.

There was also an offer earlier about sitting down and talking. I know that all trades are willing to sit down and talk, but this has been pushed, run through, and I say that that's where we stand. We want to be able to at least talk about that, but at least have the committee not address this. Let the systems that we put in place play themselves out.

Mr. Steven Del Duca: I do understand that and I don't want to be difficult about this. I'm just trying to get a handle from my own perspective. You mentioned a second ago that the impact will be felt province wide. But if I understand it—and again, I might not, because I'm not out there like you are, operating in the field. But my understanding is that outside of the GTA for the most part, where this bill would take us, similar to where the Divisional Court ruling has taken us, it would be preserving the status quo, or at least the status quo that has existed over the last number of years. So there would be no actual tangible difference to your members outside board area 8—

Mr. Chris Paswisty: Well, I think—sorry, if I may?

1440

Mr. Steven Del Duca: It's okay, please jump in.

Mr. Chris Paswisty: What would be different is that the members outside of that area would not have their avenues to address their concerns. That's why I ask the committee to allow them—don't take their voice away. That's what I'm asking.

Mr. Steven Del Duca: But your members outside the GTA have not—again, from my perspective—had that opportunity over the last decade or so. We heard from two different people earlier today about exactly how long that time period is. Is it 2001? Is it 2004? But over the last, let's call it close to a decade or beyond a decade, there hasn't been an impact for your members outside the GTA. And your members inside the GTA—

Mr. Chris Paswisty: No, there has been impact, on projects that we have done work with EllisDon, that we have assisted our contractors, whether they're aware of our assistance to their subs—the ONroutes, everything outside of the greater Toronto area. They've done work up in Barrie. We're working with them right now up in Penetang at the—

Mr. Steven Del Duca: But there's nothing in this bill that would prevent them from doing that work going forward. It just wouldn't require that they have to do the work going forward—

Mr. Chris Paswisty: We have a process in place where there are rights out there. We're asking to let us pursue those rights and just live up to the agreement that we have. Maybe I'm not answering your question directly but—

Mr. Steven Del Duca: No, you are. This is a learning process for all of us, and I do appreciate your passion and your sincerity.

Mr. Chris Paswisty: Thank you.

Mr. Steven Del Duca: I'm not sure if any of my colleagues have questions, but I'm good, Mr. Chair.

The Chair (Mr. Kevin Daniel Flynn): Any more questions?

Mr. Steven Del Duca: Thank you very much.

Mr. Chris Paswisty: Thank you very much.

The Chair (Mr. Kevin Daniel Flynn): Thanks for coming.

Okay, last chance for Steve Martin from the IBEW. No Steve?

ONTARIO SHEET METAL WORKERS' AND ROOFERS' CONFERENCE

The Chair (Mr. Kevin Daniel Flynn): Okay, Tim, if you'd like to come forward at this point—Tim Fenton from the Sheet Metal Workers' and Roofers' Conference. Tim is the business manager. Make yourself comfortable. You can introduce yourself and your colleague again for Hansard. Use your time as you see fit.

Mr. Tim Fenton: Good afternoon. Thank you for having us here. My name is Tim Fenton. I'm the business manager of the Ontario Sheet Metal Workers' and Roofers' Conference. To my left is Mr. Eric Comartin, our in-house counsel. I'm here today to talk about Bill 74 and its impact on our industry.

Labour relations is a very complicated thing and even more complicated in construction. When the government made the decision in 1980 to give us province-wide bargaining, it started to smooth things out. Prior to that, construction was like the Wild West. After that, we started to have some patterns and less frequent strikes. Our industry hasn't had a strike since 1990—quite a long time. Roofers are a little different, but that's a different game.

When we had province-wide bargaining come in, it brought in some working agreements, in particular the ones that affect board area 8. Later on, we had a change in government, and they decided to make some exemptions to that, and an abandonment clause came in.

During that time, we had worked closely with EllisDon, starting a working agreement and other working agreements they had signed, and we relied on them all the way through. Some time in 2004, EllisDon decided to wander away from those agreements—not particularly large jobs: the four-pad arena up in Hamilton, the two-

pad arena down in Alliston and various other jobs—and decided not to use us as one of the subcontractors. So we started grievances, and the process probably started in 2005, where we took on the case to determine bargaining rights. That has been going on for eight years, and we've been doing the process that's available to us. It's not an anomaly; it's just another incident in labour relations that needs address, and we go to the labour board for that.

Following that, we were able to move to another court and get some other clarifications. Right now, we're stuck at a position where we need further litigation, and this legislation may stand in the way of that. We don't believe that's right. We believe that's an infringement on our rights, and the only thing that's available to us is the courts. We don't have the deep pockets that can bring legislation to change things.

For a particular contractor, a set of circumstances that they agreed to in 1958 and that they've lived up to now doesn't suit them. They haven't shown us where these irregularities are, where they're disadvantaged. They tell us that, but I think if you were to look at all contractors, you'd find that for every contract they bid, they're not successful. They don't win everything they bid on. So giving them the option of not using union trades, subtrades—because EllisDon doesn't employ us directly. They subcontract work to our subcontractors.

So, in the end, are we losing work in the province? It's the same work. It's just that others will be doing it, and likely for less pay. So we're not helping industry here. We're helping somebody with deep pockets fill them up even more.

We believe that there is potentially a challenge under the Charter of Rights, that this legislation interferes with our right to association. As you know from now, we're not one to shy away from that kind of litigation. If this was to become proclaimed, you can bet that we'll have a challenge, and I'd ask this committee here if they've had any legal advice on this at all as to whether or not it will interfere with the Charter of Rights. I think that's something they should ask if they haven't done it yet.

Those are about all my comments here. I ask this committee to turn it down. Turn down this Bill 74. It's not necessary. What's available under the courts will work its way through, and we'll have to live with what happens in that. That's typical of any of the relations we do.

The Chair (Mr. Kevin Daniel Flynn): Very good. Thank you, Tim. Thank you, Eric. Questions are from the PC Party. We've got just over nine minutes.

Mr. Monte McNaughton: Well, we certainly won't be nine minutes, but thank you very much for your presentation today.

Is it fair to say that it's more advantageous for you and your members for EllisDon to get contracts and to be awarded contracts to build projects versus, say, companies from Spain or the United States?

Mr. Tim Fenton: If we have a collective agreement with that general contractor, all the time it's to our advantage. Our work comes from subcontracting clauses in the

collective agreement, but I'm not aware of any Spanish companies coming in to do our work.

Mr. Monte McNaughton: Okay. I know they're doing large jobs across the province, but maybe not involved with your trades.

Mr. Tim Fenton: Well, perhaps it's in another sector other than ICI.

Mr. Monte McNaughton: Okay. Great. I have no other questions. Thank you.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Tim. Thank you very much for coming today.

Mr. Tim Fenton: I'm off the hook? That's it?

The Chair (Mr. Kevin Daniel Flynn): You've got it easy, unless you've got anything to add. It's your time. If you've got more to say, you've got eight minutes to say it.

Mr. Tim Fenton: No. I thank you for your time here today, and we'll move on.

The Chair (Mr. Kevin Daniel Flynn): Okay. Thank you, Tim. Thanks for coming, Eric.

CANADIAN UNION OF PUBLIC EMPLOYEES ONTARIO

The Chair (Mr. Kevin Daniel Flynn): Our next delegation of the day is Fred Hahn, the president of CUPE Ontario.

Fred, make yourself comfortable. You know the drill: 15 minutes; leave some time at the end for questions. Other than that, the time is all yours.

Mr. Fred Hahn: Good afternoon. My name is Fred Hahn. I'm the president of CUPE Ontario.

CUPE is the province's community union. We have 240,000 members, and we're the community union because we literally have members in every region, in every community of the province.

Our members work in hospitals and in long-term-care facilities. They work in child care and throughout the social services sector. They collect garbage, maintain our parks, and make sure our water is drinkable and clean and safe. They teach in universities and they are support staff in elementary and in high schools.

Now, I realize you might be wondering why I would be here on behalf of CUPE on a bill that is ostensibly about the construction industry. The fact is that this bill is not just about the construction industry. It is about the legal rights of all Ontarians wherever they work. It's about whether government should legislate away the legal right to free collective bargaining or should it respect the laws of Ontario and respect the institutions that exist to interpret those laws and adjudicate them.

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Now, regrettably, we've seen all too often of late how government has used legislation to remove the constitutionally protected rights to democratic, free collective bargaining. In 2010, the McGuinty Liberals legislated away the right to strike from 10,000 public transit workers in the city of Toronto, hundreds of whom are CUPE members. In late September 2012, the McGuinty

government passed Bill 115, taking away the rights to legal collective bargaining from 200,000 citizens in our province, including 55,000 CUPE members. In that same fall, the government published draft legislation, the Protecting Public Services Act, that would have removed collective bargaining rights from some 500,000 women and men.

Along with most Ontarians—indeed, I daresay most Liberals—CUPE members were relieved when Premier Kathleen Wynne led us all to understand that the legislative assault on collective bargaining rights was over. We were shocked, therefore, when a private member's bill to free EllisDon from its legal obligations to collective bargaining was passed at second reading, only because 22 Liberals—including nine cabinet ministers and the parliamentary assistant to the Minister of Labour—voted to pass it, when two thirds of the PC caucus weren't actually in the House to vote and the PC labour critic actually voted against it.

Bill 74 is not about the construction industry. It is about respecting the legal and constitutionally protected rights to free collective bargaining for all workers in the private sector or the public sector. It's about respecting the Ontario Labour Relations Board and the role of the Divisional Court.

Do we really want Ontario to be a place where, every time someone doesn't like a labour board ruling or a Divisional Court hearing, they can just say, "Look, I've donated some money to your party, so I'll go to Queen's Park and get a law passed to override the decision"? What's next? Will any employer who believes that they are at a competitive disadvantage come to Queen's Park, cap in hand, and beg for a law that would excuse them from their legal obligations to collective bargaining, just because they think—they proclaim, even though it may not be proven—that there isn't a level playing field?

Is that what you'd like trade unions to do, like CUPE? Should we come to you and say, "We feel that the employer has an unfair advantage, and therefore we would like you to pass a law to level the playing field"? That is the logic of Bill 74. Do we really want another Bill 115? Because, let's be clear, that is what this is.

In conclusion, this bill is everything that Ontarians are tired of: cynical politics, politics that are more about chasing votes or perhaps chasing donations than respecting the legal and constitutionally protected rights that have made Ontario the great province that it is today.

To the NDP members, I want to say thank you for your consistent opposition to this bill. To the PC members, I want to ask you to reconsider, and I want to say that, if you feel uncomfortable listening to advice from a union leader, you could always listen to the member from Lanark-Frontenac-Lennox and Addington, or you could listen to your former leader John Tory, when he pleaded with you to stop the war on organized labour.

To the Liberal members, I want to ask you to remember that the Premier promised that there would be no more Bill 115s; there would be no more passing of laws to strip away constitutionally protected rights to collect-

ive bargaining, as her predecessor has done. Let that promise be kept. Do not take it upon yourselves as MPPs to misuse the power of this Legislature to give one company a competitive advantage in any way and to strip the rights protected for workers in our province.

Respect the law. Respect the right to free collective bargaining. Respect the freedom-of-association rights protected by the Canadian Constitution. Respect the courts. Respect the Ontario Labour Relations Board. Do not pass this bill. Thank you.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Fred. You've left a little bit of time: about eight minutes. So, who's going to go first from the New Democrats? Catherine Fife?

Ms. Catherine Fife: Thank you, Mr. Hahn, for coming and giving what was a very impassioned speech about worker rights in the province of Ontario. We do appreciate it.

Over the course of the day, we've heard a number of conflicting reports and delegations on what this bill actually means. This morning, the carpenters' union came into this room and said that it's out of the ordinary and a little strange that they have come here to support a bill which "eliminates bargaining rights" for unions. It was quite a powerful moment. I'll give them full credit for being candid and being honest. But there are also a lot of people who have come into this room and said that EllisDon is a good company. Actually, we have never taken any exception with the kind of company that EllisDon is, but there is a significant impact, obviously, with this bill, which is why it has generated the attention that it should.

We've heard from a member opposite—and this is what I want your thoughts on: Why don't we just perform a little bit of surgery on Bill 74? We can fix this bill: maybe change some dates, maybe not make it so broad.

What are your thoughts? Is this bill fixable?

Mr. Fred Hahn: You can't perform surgery on a procedure that kills the patient. This strips constitutionally protected rights to free-collective-bargaining an agreement that is registered and recognized. The employer and the union have to deal with difficulties that may arise from that agreement. It is not up to Legislatures to trample on rights protected by the Constitution. There is no way to fix something that is fundamentally flawed at its base.

Ms. Catherine Fife: That's pretty clear. Do you think it is a good precedent to pass legislation that allows only one company to be relieved of its collective bargaining obligations, and what do you see as the trickle-out effect of this legislation?

Mr. Fred Hahn: Well, there's a great concern about precedent. It is why we are continuing the proceedings all the way to the Supreme Court, if necessary, on the passage of Bill 115. Even though it is revoked, it sets a precedent that we cannot allow to stand in our collective labour relations history. This bill will also set that precedent.

As I tried to say, if one company or one employer can come and say that a provision of an agreement is no longer something that they like, and can get the Legislature to intervene in order to solve what they decide is a problem, that flies in the face of the labour relations history we have had in the province for generations. It makes a mockery of the labour relations board, which has already been involved in this case, and it would indeed have ripple effects beyond this piece of legislation, beyond this one company. It is why one of the previous presenters also talked about legal challenges.

The best way to have these situations and circumstances dealt with is between the union that represents the workers and the employer themselves, and to allow that to happen in the best possible way. Intervening in this way will only cause increased litigation, as it must, because the precedent is too dangerous.

Ms. Catherine Fife: You also made reference to Bill 115, which came into effect in September 2012. It has since been revoked. I think that your comparison of Bill 115 and Bill 74 is just; it's a good comparison.

Bill 115 is currently before the courts. Can you give us an update on where Bill 115 is, please? Every person in this province was promised that this government would not play these same games with collective bargaining rights, and yet here we are today.

Mr. Fred Hahn: Bill 115, as you all know, was repealed by the current government. However, there are regulations under Bill 115 which exist and which are impacting workers today; in fact, we are in ongoing discussions about that. From our perspective, regardless of the time in which that piece of legislation existed, it still forms a dangerous precedent to labour relations. It still stripped people's constitutionally protected rights to free collective bargaining. That is why we are pursuing it in the courts: to have its very existence deemed unconstitutional.

Ms. Catherine Fife: Bill 74 was contained within a large omnibus bill with some good things around tanning beds, around local food. Our good friend MPP Vanthof called it an "ominous" bill instead of an omnibus bill. What do you make of this new trend of throwing everything into a pot and then trying to slide in a piece of legislation like Bill 74?

Mr. Fred Hahn: Every last one of us should be concerned. Good measures like protection and promotion of local food and the health promotion of people in relation to things like tanning beds are all fine and dandy, but if we're stripping constitutionally protected rights from our citizens, then nothing—nothing—can be traded for those rights. They are fundamental.

Mr. Michael Prue: Which leads into my question—because I think this EllisDon matter is a matter that should be resolved through the courts.

I was a bit taken aback this morning when the gentleman from EllisDon, who is still here, said, and I'm quoting from his statement, "We are here because the unions apparently do not accept the Divisional Court's

judgment and don't want Bill 74 to foreclose the possibility of ongoing litigation...."

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I asked him a question and I'm going to ask you the same one. I think it's the unions' right, if they're not happy with a lower court ruling, to go to a higher court. They're here because they want Bill 74 to make sure that nobody can go to court and that they win. Pretty much, that's what it is. Any comment?

Mr. Fred Hahn: It's not just the unions' right; it's actually every Ontario citizen's right—in fact, it's every Canadian's right—to be able to appeal a decision of the court if they believe that it is in contravention of the law or process and practice, so removing that right is also a problem.

Look, I won't comment on whether or not the courts are the best way to deal with this, but I will reiterate what I said: The very best way for labour relations to unfold in any situation is when the union representing the workers and the employers sit down and work out an agreement. That is the way that things have happened for generations. It's the way things should happen here.

Mr. Michael Prue: And I believe my colleague, Mr. Natyshak, may have some questions.

The Chair (Mr. Kevin Daniel Flynn): You're down to two minutes, Taras.

Mr. Taras Natyshak: Two minutes; thank you, Chair. I've got so many questions for you, but your presentation, I think, covered the gamut. It was well-nuanced and I think addressed the real heart of the issue, which is an affront to the democratic process and a real affront to the rule of law ultimately.

This bill came out of nowhere and it bubbled to the top of the priority list, to the top of the omnibus bill—ominous bill. It also came with glowing recommendations from the opposition and the government side. I've yet to see that ever in this Legislature, other than Bill 115.

Do you think there's a pattern here at the Legislature where we see labour law being able to be circumvented for special interest groups, for singular purposes? What do you think that tells the broader public out there about the functions of our democracy and our Legislature?

Also, I'd like you to comment specifically, potentially, on the OLRB and the decision that led to this going to the Divisional Court. Do you think there's a broken system there? Should the OLRB have closed this and given it some finality?

The Chair (Mr. Kevin Daniel Flynn): And you'll have to do that all in about 28 seconds.

Mr. Fred Hahn: Twenty-eight seconds; there you go. Let's see. I articulated the number of ways in which labour rights have been a political football. That's inappropriate because you can't have the rights of people be a political football, and shame on those who would do it.

The labour relations board is a well-respected entity. It's an entity of the government. Its decisions in these matters ought to be respected and final. It intervened

here; it gave a ruling that was fair and reasonable and allowed people to proceed. It's unfortunate that that wasn't the end of it.

Mr. Taras Natyshak: Thank you.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Fred. Good time management.

Mr. Fred Hahn: Thanks.

The Chair (Mr. Kevin Daniel Flynn): Thank you for coming today.

SHEET METAL WORKERS AND ROOFERS, LOCAL 235

The Chair (Mr. Kevin Daniel Flynn): Our final delegation of the afternoon is from the Sheet Metal Workers and Roofers, Local 235, if you'd like to come forward, Mike and Jay.

Interruption.

The Chair (Mr. Kevin Daniel Flynn): If there are any conversations, could we have them outside? Can we call to order? Any conversations, we can have them outside this room.

Jay, Mike, you've got 15 minutes like everybody else. I think you've been here all day; you know what the rules are. The final questions of the day will come from the Liberal side. The floor is yours.

Mr. Jay Peterson: Thank you very much, Mr. Chair, committee, union brothers and sisters and the good employees of EllisDon. I appreciate being here and I respect everyone's job in this process, and hopefully people respect sheet metal workers as well.

My dad was a union sheet metal worker. I'm a sheet metal worker by trade. My grandfather was a millwright. My grandfather was squashed to death on the job one day and never came home, when my dad was 13. So when I got started in the union, my dad made it an important point to be active in health and safety, having lost his father. He told me what the union means for health and safety. That's how I got started in the union, on health and safety.

I remember noting, as I got trained in health and safety, that our health and safety depended on the legislative pen, that it wasn't just about what happened on the job site; it was what happened in this building.

I was on many EllisDon jobs as an apprentice and as a journeyperson. My very first job was an EllisDon job at 160 Bloor. I worked at the SkyDome at the time, and I remember going down to the ACC under the Mike Harris government as he was setting up a table on that job site to tell us how he was going chop our trades up into little, itty-bitty bits because it was too expensive to have complete tradespeople. It would be much better to have partial tradespeople. Well, I have a loud voice and he left that job site in hurry, and the press conference didn't go through.

I also remember being here at this Legislature with about 200,000 people outside making a lot of noise as nothing moved in this town—the Metro Days of Action. That was brought on by Mike Harris as he came out with

Bill 7, Bill 15, Bill 31, Bill 55, Bill 99 and so on and so on—a little bit like Bill 22, Bill 73, Bill 74, Bill 94 and others that are coming right now. The only thing is, back then, Mike Harris didn't need anyone to do these things with him; he could do it himself. We're still reeling from the unrest and the problems that that caused this province.

I thought that when a Liberal government got into power, we would have balance. This government preached balance; this government preached consultation; this government preached about talking to stakeholders to come up with solutions for Ontarians. Well, sheet metal workers are Ontarians.

There's a bottom line to this bill. We can talk about deals made and we can talk about big companies and their economic importance, and we can talk about legislation and 160 and 163 and all these things that our great legal people keep things on the rails with, but there's a bottom line here: If this bill goes through, sheet metal workers around this province that happen to land on an EllisDon job will make less money. It's about workers making less money—less benefits, less quality of life for their family, and not as much economic viability for our communities.

It's really nice if you have a union job and you maybe have a little bit left over at the end of the week to take your family out for dinner and invest in your community; to be able to partake on your main street and have dinner in a restaurant. When you're working non-union and you don't have all those benefits and you're the lowest price and you're the lowest-paid worker, it's kind of tough to contribute to society the way that union members do. We talk about our disappearing middle class—this bill aims right at the middle class. You're taking away a middle-class job and you're making it a lower-paying job. That's not what we're here to do; we're here to build up Ontario.

There are a lot of tools out there that can be used to achieve these things, as you've heard today. There are project labour agreements, which was Mike Harris legislation brought in to satisfy owners, specifically the petrochemical industry in Sarnia, who wanted a way to use the great union workforce but wanted some stability. So they came up with project labour agreements where, if the proponent is the owner and they want a project labour agreement, we're called into that agreement and things are worked on from there legislatively. It works beautifully. I'd say there might be one amendment to that: that project labour agreement has to be started by the owner. The owner is the proponent. Maybe general contractors could be a proponent as well, so that they can work on things without dragging all of our issues in front of an owner before the project even starts, so that we could work on things together with the unions and the generals and then go to the owners with a good package. I think that might smooth things out a little bit in Ontario.

Not only are there project labour agreements for all trades, but in our constitution—you've heard of resolution 78, where our local area business managers can

adapt a collective agreement to suit specific needs and help our competitiveness. Mike Mahon—I'm sorry; I forgot to introduce you, Mike—our business manager from the Windsor local, Local 235, will talk a little bit about resolution 78.

There's also market recovery funds. These are funds that come out of our pay package. We get so much pay that we've negotiated. Name me one other industry in this entire province where workers give money back to their companies to make them competitive, out of their own pay packet, out of their own free will. Name me one other industry.

1510

Our contractors are very lucky that we have this program. We're the only workers in Ontario that give money back to our employers so they can go out and get more work, because if they don't work, we don't work, and no one wants that. So they have the stabilization funds, they have resolution 78, they have project labour agreements and they have the telephone.

We're very lucky in Ontario also, because we have the Ontario Construction Secretariat. It's a tripartite, mandated body that has labour, management and government parties on it. I suggest to all of you to come out to some Ontario Construction Secretariat functions and see how this industry works together. See how we put together best practices, from safety to bidding to jurisdiction and all the good things we work on there. That's where the progressive—that's where this industry is going, down the secretariat path of working together to put on a good show for owners and clients and to take care of Ontarians. Please come to one of those; they're very informative.

I would say, in wrapping up, before I hand over to Mike Mahon, my brother from Windsor, that this interferes with traditional and due process. We're doing what we're supposed to do, the way we're supposed to do it. As trade unions, we're representing our members diligently—not excessively, but following what is laid out in law. Please don't interfere with that.

This takes away workers' rights; that was talked upon. These are rights, our rights. Twenty-two people voted for this, without even understanding this bill, to take away rights. To me, that's shocking.

Ontarians will make less wherever they work, under this bill, so if you're trying to strengthen and bring Ontario up by its bootstraps, you're paying people less, and that's not what our communities need, especially outside of the GTA.

This bill creates no new jobs. We talk about jobs, or modernizing the labour movement and bringing it up to this century or whatever. This does not create one job. It just means somebody else might bid on it or build it.

With that, I would like to thank the committee for hearing my words, and hand it over to my esteemed brother Mike Mahon, from Windsor, Ontario.

Mr. Mike Mahon: Thank you, Jay.

The Chair (Mr. Kevin Daniel Flynn): Mike, you've got just over seven minutes.

Mr. Mike Mahon: Yes, okay. Thank you.

I just want to first thank the committee for the opportunity to come here and speak to you and let my members' voices be heard.

I just want to tell you a little bit about my experience as a worker in the province of Ontario. I'm a husband, a father of three and a soon-to-be grandfather. I started out as a non-union apprentice in 1984, and I joined my union in 1994. I worked on several projects, industrial, commercial and institutional, one of which was the Windsor Regional Hospital, at Met campus. I was a foreman there, and that project provided me with a decent wage and benefits for over two years.

That project was an EllisDon project. The hospital was expanded, renovated. That's the same hospital where my youngest daughter is doing her placement for nursing and the hospital where my granddaughter will soon be born.

If it was not for the decent wages and benefits that I earned, I don't think I would be able to send my children to post-secondary education. I have one that is an office administrator and has been there for 10 years, one that's going to be a bilingual teacher and one that's going to be a nurse.

I was elected to serve my members in 2007, and I've been the business manager since that time.

Our area was probably one of the hardest hit in the province, with the highest unemployment rate. In order to keep my members working, we have done many things to help our contractors maintain work: with our enhancement fund, with our Resolution 78—we've used that on several projects, and also with the IBEW and the UA. A couple of them were the University of Windsor engineering building, the Amherstburg arena, the Leamington municipal building and ongoing work at Meritor in Chatham.

We are committed to help our signatory contractors in any way we can to be successful in obtaining projects.

In conclusion, I just want to say that we are strongly opposed to Bill 74. The government is attempting to supersede a ruling handed down by the OLRB. We urge the committee to recommend that Bill 74 not be passed at third reading. Thank you.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Mike. Thank you, Jay. Mitzie?

Ms. Mitzie Hunter: Thank you both for your presentations and for explaining a little bit about your personal backgrounds and history.

I just wanted to ask you, are there any current contracts that will be affected, that you're aware of, under your particular local?

Mr. Jay Peterson: EllisDon would probably be a better person to ask. They know what they've got on their books.

Ms. Mitzie Hunter: Okay. How specifically does this agreement affect you?

Mr. Jay Peterson: Being in a union has given me everything that I have. I came to this town in a 10-year-old Camaro with a bag of clothes, and I started my apprenticeship. From that, I have a nice, comfortable life

in a middle-class neighbourhood. I think that this bill will limit others from enjoying the same thing that I have.

We keep talking about wanting a civilization where we can expect better things for our kids. This one, unfortunately, in my trade, for my son, goes the wrong way, and maybe he won't be able to enjoy the opportunities that I've enjoyed.

Ms. Mitzie Hunter: But in terms of ongoing construction work under this agreement, I'm just wondering, how does the Divisional Court decision, or this bill, affect that, in your opinion?

Mr. Jay Peterson: You've heard that we're continuing on a due process as set out, so we'll be continuing along that path. You've heard my business manager at the Ontario conference talk about challenging this, as it may be a breach of our rights and our freedoms. I think we're at a certain point today with our legal issues, but it's not over.

Ms. Mitzie Hunter: Okay. Do we have more time?

The Chair (Mr. Kevin Daniel Flynn): Thank you, Mitzie. Soo?

Ms. Soo Wong: I, too, want to say thank you very much for coming before the committee.

I just want to get some clarifications, because a couple of the previous witnesses before the committee this afternoon made suggestions about some surgery to this bill and tinkering with it. I just wanted to hear your opinion with respect to that piece, because there were some suggestions made by previous witnesses, asking for maybe some tinkering. What's your opinion about that?

Mr. Jay Peterson: You're still taking away the rights of sheet metal workers.

Ms. Soo Wong: I just heard earlier that there were some suggestions that maybe, if we could refine some portion of—

Mr. Jay Peterson: Right. And in that tweaking, do the sheet metal workers keep their rights or do they lose their rights?

Ms. Soo Wong: I just want to hear your opinion—

Mr. Jay Peterson: We would lose our rights.

Ms. Soo Wong: I wanted to see if we could continue to do some work. But I want to hear, from your opinion, if there was some tinkering that would still respect rights of the union and continue to address some of the concerns that you have identified, and others have as well, this afternoon.

I want to get your opinion with respect to the fact that if the bill—because through this committee, not only hearing the witnesses today, we will be looking at it clause by clause, and that's where the clauses can be improved or changed or deleted or amended. I want to hear your opinion, from your particular union, if there were changes to which section of the bill—if there were some refinements, improvements, and protecting your rights, that kind of stuff. I would like to hear that, please.

Mr. Jay Peterson: Thank you. I agree with my brother from CUPE, Mr. Hahn: There's no fixing this. It's fundamentally wrong, and you're taking away our rights. So the person who keeps moving this, Mr. Del Duca, talking about snipping it here and there, is maybe a little afraid of the over-sweeping—the broadness of this act, and has no problem snipping that broadness out but still taking away the rights of sheet metal workers. I think I've answered you about three times about amendments to this bill, and the point of view from the sheet metal workers.

Ms. Soo Wong: Okay. Thank you very much. Thank you, Mr. Chair.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Jay. Thank you, Mike.

Mr. Jay Peterson: Thank you.

The Chair (Mr. Kevin Daniel Flynn): Thank you, committee members. That was the last delegation of the day.

Before I adjourn the meeting to Thursday, October 24, 2013, for clause-by-clause consideration of Bill 74, I'd like to remind members of the committee that the deadline for filing any amendments to the bill will be 12 noon, Wednesday, October 23, 2013.

Thank you. The meeting is adjourned.

The committee adjourned at 1518.

STANDING COMMITTEE ON FINANCE AND ECONOMIC AFFAIRS

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Vice-Chair / Vice-Présidente

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Also taking part / Autres participants et participantes

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Mr. Katch Koch

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of Ontario**

Second Session, 40th Parliament

**Assemblée législative
de l'Ontario**

Deuxième session, 40^e législature

Official Report of Debates (Hansard)

Thursday 24 October 2013

Journal des débats (Hansard)

Jeudi 24 octobre 2013

**Standing Committee on
Finance and Economic Affairs**

**Comité permanent des finances
et des affaires économiques**

**Fairness and Competitiveness
in Ontario's Construction
Industry Act, 2013**

**Loi de 2013 sur l'équité
et la compétitivité dans l'industrie
ontarienne de la construction**



Chair: Kevin Daniel Flynn
Clerk: Katch Koch

Président : Kevin Daniel Flynn
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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRSCOMITÉ PERMANENT DES FINANCES
ET DES AFFAIRES ÉCONOMIQUES

Thursday 24 October 2013

Jeudi 24 octobre 2013

*The committee met at 0900 in room 151.*FAIRNESS AND COMPETITIVENESS
IN ONTARIO'S CONSTRUCTION
INDUSTRY ACT, 2013LOI DE 2013 SUR L'ÉQUITÉ
ET LA COMPÉTITIVITÉ DANS
L'INDUSTRIE

ONTARIENNE DE LA CONSTRUCTION

Consideration of the following bill:

Bill 74, An Act to amend the Labour Relations Act, 1995 to alter bargaining rights conferred by pre-1980 working agreements in the construction industry / Projet de loi 74, Loi modifiant la Loi de 1995 sur les relations de travail pour modifier le droit de négociateur conféré par des accords de fait conclus avant 1980 dans l'industrie de la construction.

The Chair (Mr. Kevin Daniel Flynn): Okay, ladies and gentlemen. We are here to consider Bill 74, An Act to amend the Labour Relations Act, 1995 to alter bargaining rights conferred by pre-1980 working agreements in the construction industry. Let's get started. Are there any comments, questions or amendments to any section of the bill and, if so, to which section?

I'm going to start with section 1. Any debate on section 1? We have received no amendments as of the deadline. Mr. Prue?

Mr. Michael Prue: Yes. I don't really have any. This is the only substantive section. The New Democrats will be voting against this bill and ask for a recorded vote on each and every section.

The Chair (Mr. Kevin Daniel Flynn): Thank you very much. Any other comments? Are the members ready to vote on section 1 of the bill?

Ayes

Fedeli, Holyday, McNaughton.

Nays

Natyshak, Prue.

The Chair (Mr. Kevin Daniel Flynn): That motion is carried.

Moving on to section 2 of the bill: Any debate on section 2 of the bill? Mr. Prue?

Mr. Michael Prue: Yes. We remain opposed and somewhat puzzled by Liberal actions today. They are entitled to do, of course, what they are doing, but in view of the statement made by the Premier, we are puzzled that they are taking no action at all to be part of this debate. I think it should be part of the record, and it should be understood that they have an obligation as parliamentarians to do something. If this is their position, to do nothing, it speaks volumes.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Mr. Prue. Any further comments? Any further debate on section 2? Seeing none, all those in favour?

Mr. Michael Prue: On a recorded vote.

The Chair (Mr. Kevin Daniel Flynn): A recorded vote has been asked for again.

Ayes

Fedeli, Holyday, McNaughton.

Nays

Natyshak, Prue.

The Chair (Mr. Kevin Daniel Flynn): That motion is carried.

Moving on to section 3: Is there any debate on section 3 of the bill?

Mr. Michael Prue: On a recorded vote, please.

The Chair (Mr. Kevin Daniel Flynn): A recorded vote asked for again.

Ayes

Fedeli, Holyday, McNaughton.

Nays

Natyshak, Prue.

The Chair (Mr. Kevin Daniel Flynn): That motion is carried.

Moving on to the title of the bill: Shall the title of the bill carry?

Mr. Michael Prue: Recorded vote.

Mr. Monte McNaughton: Recorded vote.

The Chair (Mr. Kevin Daniel Flynn): Recorded vote.

Ayes

Fedeli, Holyday, McNaughton.

Nays

Natyshak, Prue.

The Chair (Mr. Kevin Daniel Flynn): Shall Bill 74 carry?

Interjections: Recorded vote.

The Chair (Mr. Kevin Daniel Flynn): Recorded vote.

Ayes

Fedeli, Holyday, McNaughton.

Nays

Natyshak, Prue.

The Chair (Mr. Kevin Daniel Flynn): Bill 74 carries.

Shall I report the bill to the House?

Interjections.

The Chair (Mr. Kevin Daniel Flynn): Was somebody asking for a recorded vote on this one, I'm assuming?

Ayes

Fedeli, Holyday, McNaughton.

Nays

Natyshak, Prue.

The Chair (Mr. Kevin Daniel Flynn): That is carried.

Thank you, ladies and gentlemen. We are adjourned.

The committee adjourned at 0905.

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Legislative Assembly of Ontario

Second Session, 40th Parliament

Assemblée législative de l'Ontario

Deuxième session, 40^e législature

Official Report of Debates (Hansard)

Thursday 7 November 2013

Journal des débats (Hansard)

Jeudi 7 novembre 2013

Standing Committee on Finance and Economic Affairs

Hawkins Gignac Act
(Carbon Monoxide Safety), 2013

Comité permanent des finances et des affaires économiques

Loi Hawkins Gignac de 2013
(protection contre
le monoxyde de carbone)

Chair: Kevin Daniel Flynn
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ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRSCOMITÉ PERMANENT DES FINANCES
ET DES AFFAIRES ÉCONOMIQUES

Thursday 7 November 2013

Jeudi 7 novembre 2013

The committee met at 0902 in room 151.

SUBCOMMITTEE REPORT

The Vice-Chair (Ms. Soo Wong): Okay, we're going to start the meeting. Good morning. We're the Standing Committee on Finance and Economic Affairs. We're here today to address Bill 77, An Act to amend the Fire Protection and Prevention Act, 1997, to provide safety requirements related to the presence of unsafe levels of carbon monoxide on premises.

Now, I believe there's a report of the subcommittee on committee business. Mr. Prue, would you like to read on record about the subcommittee?

Mr. Michael Prue: Surely. Your subcommittee met on Monday, November 4, 2013, to consider the method of proceeding on Bill 77, An Act to amend the Fire Protection and Prevention Act, 1997, to provide safety requirements related to the presence of unsafe levels of carbon monoxide on premises, and recommends the following:

(1) That, pursuant to the order of the House dated Thursday, October 3, 2013, the committee meet on Thursday, November 7, 2013, to conduct public hearings.

(2) That the hearings begin at 9 a.m.

(3) That the Clerk of the Committee post information regarding public hearings on Bill 77 on the Ontario parliamentary channel, the committee's website and on Canada NewsWire.

(4) That the deadline for requests to appear be 12 noon on Wednesday, November 6, 2013.

(5) That the Clerk of the Committee provide the list of all interested presenters received at the deadline to each caucus.

(6) That all witnesses be offered 15 minutes for their presentation.

(7) That the deadline for written submissions on Bill 77 be 5 p.m. on Thursday, November 7, 2013.

(8) That, pursuant to the order of the House dated Thursday, October 3, 2013, the amendments to the bill be filed with the Clerk of the Committee by 12 noon on Wednesday, November 20, 2013.

(9) That, pursuant to the order of the House dated Thursday, October 3, 2013, the committee meet for clause-by-clause consideration of Bill 77 on Thursday, November 21, 2013.

(10) That clause-by-clause consideration of the bill begin at 9 a.m.

(11) That the Clerk of the Committee, in consultation with the Chair, be authorized prior to the adoption of the report of the subcommittee to commence making any preliminary arrangements necessary to facilitate the committee's proceedings.

I would move adoption of those recommendations.

The Vice-Chair (Ms. Soo Wong): Okay, are there any comments or questions to the subcommittee report? Seeing none, all those in favour? Opposed? Carried. Thank you very much, Mr. Prue.

HAWKINS GIGNAC ACT
(CARBON MONOXIDE SAFETY), 2013LOI HAWKINS GIGNAC DE 2013
(PROTECTION CONTRE
LE MONOXYDE DE CARBONE)

Consideration of the following bill:

Bill 77, An Act to amend the Fire Protection and Prevention Act, 1997 to provide safety requirements related to the presence of unsafe levels of carbon monoxide on premises / Projet de loi 77, Loi modifiant la Loi de 1997 sur la prévention et la protection contre l'incendie pour prévoir des exigences en matière de protection contre la présence, dans des lieux, de niveaux dangereux de monoxyde de carbone.

INSURANCE BUREAU OF CANADA

The Vice-Chair (Ms. Soo Wong): Now, I guess we're going to start the business of the committee, right? Today, I think we have the first witness, the Insurance Bureau of Canada. Matt Hiraishi, manager of government relations, please have a seat.

Mr. Matt Hiraishi: Thank you.

The Vice-Chair (Ms. Soo Wong): Good morning.

Mr. Matt Hiraishi: Good morning.

The Vice-Chair (Ms. Soo Wong): Now, you heard from the subcommittee report that you have 15 minutes for your presentation. Then, each of the parties will have an opportunity to ask you questions. I believe the first round is usually the opposition party. Thank you. Welcome.

Mr. Matt Hiraishi: Thank you. I certainly won't need the 15 minutes. I'll keep it nice and short, but thank you for having me here today.

Good morning. My name is Matt Hiraishi. I'm the manager of government relations for Ontario for the

Insurance Bureau of Canada. On behalf of IBC and its members, I appreciate this opportunity to present to the Standing Committee on Finance and Economic Affairs in support of Bill 77, the Hawkins Gignac Act (Carbon Monoxide Safety), 2013.

This bill, if passed, would amend the Fire Protection and Prevention Act to enable the government to make carbon monoxide detectors mandatory in homes built prior to 2001. This is indeed an extremely important measure. Despite the serious threat of carbon monoxide poisoning, many Canadian families do not have CO detectors in their homes.

This is a huge concern. Why? Simply because carbon monoxide is a silent killer. It has no colour, no taste and no smell. It can be produced by appliances that use gas, oil, wood, coal or any other kind of fossil fuel—appliances that are found in almost every home across Ontario.

While having a detector is vital to protecting one's family against the dangers of carbon monoxide poisoning, homeowners also need to conduct simple safety checks throughout the year, such as making sure that their vents and chimneys are connected, in good condition and not blocked. Additionally, they should have all fuel-burning appliances inspected by a trained professional at the beginning of every heating season. Not enough people realize this, which is why the education is so important.

As a member of the Ontario Fire Marshal's Public Fire Safety Council, IBC is committed to increasing awareness and understanding regarding the dangers of fire and other household hazards, including carbon monoxide. In 2006, IBC applauded the move to make smoke detectors mandatory on every storey as well as outside all sleeping areas of homes. Since then, we've been encouraging consumers to also purchase carbon monoxide detectors.

Sadly, there have been a number of tragedies in Ontario resulting from carbon monoxide poisoning, many of which could have been prevented if a detector had been present. IBC believes that Bill 77 will not only raise awareness of the risks associated with carbon monoxide, but more importantly, it will help prevent future tragedies from occurring.

As part of the effort to increase awareness of the risks related to carbon monoxide, IBC has been proud to partner with MPP Ernie Hardeman, the sponsor of Bill 77, to donate carbon monoxide detectors to local fire departments across Ontario. This past October, in conjunction with Mr. Hardeman and MPP Randy Pettapiece, IBC donated more than 100 carbon monoxide detector units to the Wellington North Fire Services and the Stratford Fire Department.

In speaking with members of those fire departments, the importance of having a carbon monoxide detector was certainly reinforced. Stratford Fire Inspector Roddy MacDonald noted that in 2012, his department responded to 92 carbon monoxide-related calls, 10 of which were discovered to have traces of carbon monoxide on site. Other fire departments have noted similar statistics. The

Barrie fire department, for example, has responded to more than 200 carbon monoxide-related calls so far this year.

If there's one message that people need to hear, it's that no call is too small. If they have concerns about possible carbon monoxide in their homes, they should call 911 and leave that home immediately.

In conclusion, I'd like to reiterate IBC's wholehearted support of Bill 77. We congratulate Mr. Hardeman for the leadership he has shown over the past five years on this issue, and we look forward to working with him and others to help make Ontario's homes safer.

Thank you for the opportunity to address you today. I'd be happy to take any questions.

The Acting Chair (Ms. Mitzie Hunter): Thank you, Mr. Hiraishi. We have 12 minutes remaining. We will divide that time—four minutes equally. We'll begin with the opposition.

Mr. Ernie Hardeman: Thank you very much, Madam Chair.

Thank you, Matt, for your presentation. I also want to say that I want to thank you for the work that, through you, the insurance bureau has done to get the message out. I think that somewhat points out the challenges that are out there if people don't have a carbon monoxide detector.

0910

One of the things that I found very interesting—you mentioned the visit to North Perth and Stratford. One of the things that I was quite surprised with when we got there was that they already had a program in place so that, if they got a carbon monoxide call, and they went there and found they didn't have a detector or they had a non-functioning one, in fact, the fire departments had a loan program: They would leave a carbon monoxide detector behind in that house and tell the people, "When you get a chance to go and purchase one, bring this one back to the fire department," so they could then give it to someone else.

Obviously, when the Insurance Bureau of Canada provided 100 of them to put in people's homes or to use as they saw fit, they all looked at it as, as opposed to designing a new program to distribute them, they in fact would distribute them the same way as they were presently doing with the dozen detectors they had in the department to use: ask people to do the same thing again, take these and—

Mr. Matt Hiraishi: Yes.

Mr. Ernie Hardeman: So it really expanded that program.

Of course, there will be cases where the people will not—as they've already experienced, people were not bringing them back. In this case, then they will have a greater supply to keep the program going. I really want to thank you for doing that.

The other thing I just wanted to mention is that for those who are watching or are part of this hearing—because we have a day of hearings and we have just three delegations to hear this morning, I don't want the com-

mittee to think that that's because of a lack of interest. This is not the first time we've had these hearings. This process has been going on for a number of years. In fact, it will be the fifth anniversary of the first introduction of the first week of next month. So at this point, we're three weeks short of five years that we've doing this. It's actions like the Insurance Bureau's and the Hawkins-Gignac Foundation's and others—some of the manufacturers—who have been helping us for those five years, trying to get the message out on the importance of carbon monoxide detectors in the home that have, I suppose, done more public awareness in those five years than we could have if we'd passed it on the first go-round. So I want to thank all the people who have taken on that challenge and helped us get the word out over those past five years.

I guess the only thing is, I say that I am a little sorry that we didn't get to everyone's home and all those who have perished in the last five years from that in Ontario. I wish we could have found a way to figure out which ones they would have been so that they could have had one of those detectors in their home.

The Acting Chair (Ms. Mitzie Hunter): We do need to move on and—

Mr. Ernie Hardeman: Oh. Well, thank you very much. Again, I thank you. Obviously there was no question in there, because you agreed with everything we're doing. But thank you very much, Madam Chair.

The Acting Chair (Ms. Mitzie Hunter): Thanks, Mr. Hardeman. Moving on to the third party: Mr. Prue.

Mr. Michael Prue: Thank you so much. As you heard when you sat down and we read out the subcommittee report, this is in fact in two parts. Today is to hear three deputations. The next time is to consider amendments to the bill. Do you have any amendments you want, or do you think the bill is good as it is?

Mr. Matt Hiraishi: I'm not the expert on the legislation. I can't remember everything off the top of our head, but when we had looked at it, I think we were quite pleased with it. Certainly I can pass it along. If our policy department hasn't had a look at it quite yet, I can pass it along to them to have a look to see if they require any suggestions for potential revisions, but as it stands, I think what we've been focused on is just the importance of raising awareness. We're in the business of managing risk; I mean, that's what insurance is all about. This is just a logical extension to help make homes safer and take care of that risk.

Certainly we can have a look, but as it stands, I think it's fine.

Mr. Michael Prue: Okay. I think we all share the concern that you've stated because this is a silent killer and it need not be. A carbon monoxide detector is not an expensive proposition for most homes.

Mr. Matt Hiraishi: No.

Mr. Michael Prue: I don't have any other questions, unless my colleague does, but I did want to take a minute or two to thank Mr. Hardeman for his perseverance. I know I spoke a couple of times to this bill in previous

attempts. Sometimes around this place things just take so desperately long, when you know from the outset that it's the right thing to do, so thank you for persevering. That would be my question. That's it.

The Acting Chair (Ms. Mitzie Hunter): Okay, so we'll move on to the government.

Ms. Soo Wong: Thank you, Madam Chair. Thank you for coming to present to SCOFEA. In terms of data, because often the government is looking for data, can you share with the committee the amount of insurance claims associated with unsafe levels of carbon monoxide?

Mr. Matt Hiraishi: I don't have any of those figures with me. I certainly would be happy to go back to the office, see if there are some numbers and provide them to the committee.

Ms. Soo Wong: I think that would be important data to have, not to delay any more review of this bill.

Similar to Mr. Prue: Do you have any additional comments to strengthen the bill, given that the subcommittee will be going through clause-by-clause of the bill next week? I will be very interested to know from IBC if there is any kind of amendment to strengthen the bill.

Mr. Matt Hiraishi: I don't have any at this time, but certainly, to Mr. Prue's question, I can go back to the office and talk to our policy people and see if they do have any recommendations.

Ms. Soo Wong: And I want to thank you for your organization, for donating and working so hard with Mr. Hardeman, and donating those carbon monoxide detectors, because one life is worth saving for all of Ontario. I want to pass on that message of thanking your organization for reaching out to the committee.

Mr. Matt Hiraishi: It's our pleasure, and this is going to be an ongoing effort. It certainly doesn't stop with this bill receiving royal assent. This is just an ongoing public education process that we're more than happy to be a part of.

Ms. Soo Wong: Now that you mention public education, given that our community is very diverse, what extra measures is your organization prepared to do in reaching out? I'm going to give an example: I was saying to staff earlier, before this committee met—do I have some minutes?

The Acting Chair (Ms. Mitzie Hunter): Yes, you have a few minutes.

Ms. Soo Wong: I just wanted to share on the record, to let the committee know, that I had an almost-critical incident within my own family. My mother—this is going back a couple of years ago, Mr. Hardeman, about your bill. It was ringing all night. She phoned me at about 5 in the morning and said, "The darn machine is making so much noise." She yanked it out of the wall and she said, "I want you to go buy a new one." Meanwhile, her home was filled with carbon monoxide.

Mr. Matt Hiraishi: Wow.

Ms. Soo Wong: So it's not that she didn't have the carbon monoxide detector; she wasn't aware or educated.

I told her a million times, but with frail seniors—you know, that kind of stuff. Is your organization going to be working with the fire marshal's office to improve the communication with the various diverse communities? Because we will have constituents like my own mother, who have the machine, take it off the wall and say, "This is a defective machine." Meanwhile, that should red-alert you that you need to call in the authorities to do some more additional stuff.

Mr. Matt Hiraishi: Yes. It's an extension of what we will be doing. What we've been starting to do is really starting to communicate with a lot of those communities where a lot of new Canadians are found, where English may not be their first language. Whether it would be us coming together to produce an op-ed that we would pitch to various community newspapers or advertisements advocating for the passage or the fact that it has become law and that carbon monoxide detectors are mandatory in homes, that would be part of our effort to increase public awareness and education across all languages and communities, for sure.

Ms. Soo Wong: That's great. I also want to, on record, thank Mr. Hardeman for your tenacity and persistence, because this is what's very, very important for all Ontarians. Thank you, Mr. Hardeman.

Mr. Ernie Hardeman: Madam Chair, could I just make one other comment, if there's a little bit of time left of the 15 minutes? I just wanted to say to the comments about the losses: I think that it's very important that we all recognize that this isn't about insurance losses at all, because there is no loss from carbon monoxide poisoning. It's just human health that disappears. When insurance bureaus think it's important to make sure we have smoke detectors, there's an indication that we can maybe lower the damage, but carbon monoxide is not causing property damage. It's just causing damage to life, and that's why I so much appreciate what the insurance bureau is doing.

The Acting Chair (Ms. Mitzie Hunter): Thank you. I just want to thank Mr. Hiraishi for coming forward. Our time is up.

Mr. Matt Hiraishi: Great. Thank you for having me.

HAWKINS-GIGNAC FOUNDATION FOR CO EDUCATION

The Acting Chair (Ms. Mitzie Hunter): I'd like to now call on Mr. John Gignac. If you could come forward, please, sir. I want to remind you that you'll have a total of 15 minutes. Within that time frame, you can make your presentation. Whatever time is remaining, that time will be divided equally amongst all three parties, and we will begin with the third party. Please go ahead.

0920

Mr. John Gignac: Good morning, Chair and members of the committee. Thank you for allowing me to appear before you to share my views on Bill 77. My name is John Gignac: Yes, the same name as found in the Hawkins-Gignac Act that we are all here to discuss today.

It was Christmas 2008 when carbon monoxide gas killed four members of my family: my niece, Laurie Hawkins, an OPP officer; her husband, Richard; and their two children, Cassandra and Jordan.

They were a typical Ontario family living in a typical Woodstock house, just like many of us. They died because a blocked chimney vent forced invisible, tasteless and odorless carbon monoxide from their gas fireplace back into their home. They never knew what hit them because, like most people in the province, they did not have that simple, inexpensive device that could have prevented this unimaginable nightmare. I'm talking about a carbon monoxide alarm.

I spent 34 years in the Brantford Fire Department, so I saw the benefits of smoke alarms and how they save lives. From my perspective, I see the same thing happening with CO alarms.

Back in 2008, I didn't know much about carbon monoxide, but after the accident I came out of retirement to speak up about CO safety because my brother Ben, Laurie's dad, asked me to. After the deaths, in his grief, he said: "John, you need to warn people so that this never happens again."

Why did he pick me? I guess because I was wearing a firefighter's vest he felt I was best to represent the family. On that day I began a new mission: to educate people as much as I could about the sources and symptoms of carbon monoxide. I created the Hawkins-Gignac Foundation for CO Education so that no family would ever have to endure the hell we've been through.

We also, as a committee, have raised money in our community to donate CO alarms throughout Ontario. We're trying to save everybody, not just in Ontario but right across Canada. We've made over 2,000 CO alarms available to the different fire departments in our community to distribute to the people who can't afford to buy them.

I wish I could tell you that we haven't had any more CO deaths or incidents, but I can't say that. Since we lost Laurie, Richard, Cassie and Jordan, more Ontario people have died from CO poisoning in their homes. Despite all the attention these tragedies get in the news, people are still dying. That's why this bill is so important. Without a carbon monoxide law, many more people will continue to put their families in danger and many more innocent lives will be lost.

This bill was first introduced four years ago. Yes, I have been working with Mr. Hardeman for four years—and I'd also like to commend Mr. Hardeman for his tenacity—four years since Mr. Hardeman introduced his private member's bill in my family's honour. My family feels deeply indebted to him for his presence and his perseverance with this life-saving cause.

For four years, I have also been walking these halls, pleading with members of all parties to vote this bill into law to make citizens of Ontario the safest in the country. We got trumped on that one.

This past May, I was invited to be present in the Yukon Legislature as it became the first jurisdiction in

Canada to pass a CO law—I applaud them—one year after five people died of carbon monoxide poisoning in Whitehorse. But this is the one time that I don't mind being in second place.

Education goes hand in hand with passing this law. It is critical that we make people aware of how dangerous carbon monoxide is. If this bill passes, the foundation's job has just begun.

Carbon monoxide comes from a surprising number of devices in our homes—wood, gas and propane fireplaces; gas water heaters; gas, oil and propane generators; furnaces and appliances; and car exhaust. And yes, I've had many examples in four years of every one of these incidents taking lives.

When this law passes, I promise you that I will continue to be a vocal advocate for CO safety and the absolute need to install a CO alarm in your home if you have a fuel-fired device or an attached garage or carport.

Chair and members of this committee, I've been waiting four long years to finally know that my family's deaths were not in vain. There is no reason to delay this bill any longer. Laurie keeps touching me on the shoulder every time I go to bed, warning me to keep moving forward, just like she did. She educated everybody in her community. Her family was well involved in the community and she worked with the kids in her community. I think she's telling me to do the same thing, only to take this carbon monoxide bill and run with it—but I never forget smoke alarms, either.

Carbon monoxide alarms are not expensive and they last between five and 10 years, depending on the brand. Please do the right thing and honour my family's memory and protect all families in the future by voting Bill 77 into law. Thank you very much.

The Acting Chair (Ms. Mitzie Hunter): Thank you, Mr. Gignac.

We have three minutes remaining, so we will start with the third party, Ms. Fife?

Ms. Catherine Fife: Thank you, Madam Chair, and thank you very much for coming in today. I'm sure it's still difficult.

Of course, we will be supporting this bill. I am curious, though: In the work that you've been doing through your foundation over the years, what have people told you? Does it come down to just education and knowledge? Is cost a factor for families? When you talk to people, what do they tell you back? What are the real stories from people who don't have carbon monoxide devices in their homes?

Mr. John Gignac: Of all the people that I've met in the last four years, it seems to be a combination. But the major thing seems to be the education. People don't know how carbon monoxide is going to affect them in their homes.

Also, to get a law passed, or—we passed the bylaw in the city of Brantford. We went from 25% to 30% of people having carbon monoxide detectors in their homes—after the bylaw was passed, we went to well up over 70%. I don't think you'll ever get full participation,

because there's always that one person who we need to get to make sure they pass it.

But it never came down to expenses or anything like that. It came down to the fact that people never really gave it a lot of thought, and they didn't really know what carbon monoxide—just like when I was on the fire department in 2008. When this tragedy happened to my family, I didn't have a CO alarm in my home. I went to work on nights as a firefighter and left my wife home unprotected. Believe me, as soon as this happened, the very next thing I did was, I purchased three of them. I put them in my home. At Christmas, I bought CO alarms for all my friends and all my family members and put them in their homes.

It was a tragedy. It woke me up. Waking me up made me want to dedicate more time to saying—I'm thinking to myself, "I didn't know about it. Obviously, nobody else knew about it."

Ms. Catherine Fife: Thank you very much. I think the idea of giving CO detectors as gifts is actually a life-saving gift, really. So thanks for that idea.

I'd also like to congratulate Mr. Hardeman. It takes a lot of resilience and tenacity to get things done around here. Hopefully this can happen sooner than later.

Mr. John Gignac: I think Mr. Hardeman needs to be commended. I'm sure he'll be glad to see the bill passed so he doesn't have to face me anymore.

The Acting Chair (Ms. Mitzie Hunter): Thank you. Moving on to the government: Ms. Wong?

Ms. Soo Wong: Thank you, Madam Chair. Thank you so much for your leadership, sir, and for not just educating Ontarians about the carbon monoxide, but across Canada. I also want to applaud your work with Mr. Hardeman in bringing this awareness, but also in continuing to educate our community.

My only question for you, sir: As you know, if the legislation is passed, the fire code amendment will still need to be necessary before carbon monoxide detectors become mandatory in terms of residences dealing with fuel-burning appliances. So can I get your comment on it? Because there are several parts to this, as you know, as a former firefighter. There needs to be some kind of fire code amendment. There's a technical review by the professionals. Sometimes that gets seen as a further delay. Can you give us some comments on how we can expedite that process so that we can get this bill going forward, as you have been so strong in advocating to us?

Mr. John Gignac: I think that we've reviewed this bill; it has been worded as closely to perfect as I can see. I've reviewed the bill several times. To delay any more is totally unnecessary. Every day we delay is another incident that's going to happen in the province of Ontario. I think that what we should do is take this bill, pass it and get it into law so that it's doing its job as soon as possible. We've delayed it for four or five years now. I think it's way too long; way overdue.

Ms. Soo Wong: Okay. Thank you very much. Thank you, Madam Chair.

The Acting Chair (Ms. Mitzie Hunter): Okay. Moving on to the official opposition: Mr. Hardeman.

Mr. Ernie Hardeman: Thank you very much, Madam Chair, and thank you, John. I want to thank you very much, not so much for my perseverance but for yours and your family's. Obviously, each time that it died on the order paper, we had to resurrect it by reintroducing it. Each time, there was a question: Do we want to do the same bill over again, or do we want to use what we say are scarce opportunities to have a private member's bill for the same thing again? Each time you even think about that, you think about why you did it in the first place. It's people like yourself that has kept us doing that.

I just wanted to make one other comment, in saying thank you, on the timeline. I think it's so important, as we've been talking about, that this about public awareness.

0930

I think if the Legislature passes this bill and gives it third reading, for its purposes, the fact that some of the work has to be done yet putting it into the fire code and so forth is going to take a little time. We will be able to tell the people that it is the law of the land, even though we do not have the fire department around forcing people to do it, but at the same time, fire departments will be out there explaining to people how important it is. The timeline: I think you made a great point, John, that five years is long enough. I think now we make it the law so people can get on with getting it out there.

One last comment: one of the most important parts of the bill is that the bill also depicts who is responsible for doing it in rental units. Presently, even people that are made aware, should it be the landlord that has to do it or should I put it in the landlord's home? Under those circumstances so often, it doesn't happen. This bill will actually say that the landlord becomes responsible to make sure that there's a working carbon monoxide detector in the home.

Thank you very much, again, John.

The Acting Chair (Ms. Mitzie Hunter): Mr. Gignac, I want to thank you for the work that you and your family have been doing and for appearing before our committee this morning. Thank you very much.

Mr. John Gignac: I want to thank you for having me. Thank you very much.

ONTARIO ASSOCIATION OF FIRE CHIEFS

The Acting Chair (Ms. Mitzie Hunter): Our final speaker is Mr. Jim Jessop, who is the deputy fire chief of the London Fire Department.

As you get settled in your seat, I just want to remind you that we have a total of 15 minutes, and that includes your presentation. Whatever time is remaining, we will divide it equally amongst all of the three parties, so you may begin.

Mr. Jim Jessop: Great. Thank you, Madam Chair.

Good morning. As Madam Chair stated, my name is Jim Jessop. I am the deputy fire chief for the city of London, and I'm speaking on behalf and with the full authority of the Ontario Association of Fire Chiefs.

The Ontario Association of Fire Chiefs, or shortly the OAFC, is the association that represents the 458 municipal fire departments that serve Ontario. We represent the chief officers, the fire chiefs and the deputy chiefs that are tasked with managing and implementing all legislative changes under the Fire Protection and Prevention Act and the Ontario Fire Code, so it is our association and our members that will be the ones tasked with implementing any of the proposed changes.

I'd like to start very quickly with a local story. Mr. Hardeman is going to remember this from two weeks ago. It was a Saturday morning and I had just returned from my son's basketball practice. I was the acting fire chief for London at the time and I got a call from dispatch. Mr. and Mrs. Moore were living in an older home and their carbon monoxide alarms had been going off throughout the morning and they didn't know what was wrong.

Their neighbour was having their ducts cleaned and the cleaning company had two Honda generators set up outside in the driveway. Mr. and Mrs. Moore's furnace intake pipe ended up serving as a conduit through which the products of combustion from the generators flooded their home with carbon monoxide.

London Fire responded. Our initial readings were so high, the firefighters had to go on SCBA, with the masks, to breathe. The readings exceeded 200 parts per million. This was a Saturday morning.

I can state, after 18 years in the fire service, and Mr. and Mrs. Moore absolutely would state that if they were here, that if those alarms had not been installed and had not activated that morning, it could have been tragic, including fatalities. Under the present system, the only requirements under the Ontario building code, Mr. and Mrs. Moore were not required, by law, to have carbon monoxide alarms installed.

On behalf of the Ontario Association of Fire Chiefs, I spoke at this committee a number of years ago in support of it on behalf of the OAFC. The OAFC, again, fully supports Mr. Hardeman's private member's bill. As the responding emergency services that are called to these kinds of calls throughout the province on a daily basis, we see the tragic results, but what we have also seen is the success that smoke alarms have had in drastically reducing needless deaths and injuries, and we believe that this is the same with carbon monoxide alarms. So you have the full support of the Ontario Association of Fire Chiefs.

A couple of things just to touch on very briefly: public education. We absolutely agree with that and the OAFC fully supports the office of the Ontario fire marshal in their emphasis on public education for all fire safety issues. We believe this a natural fit, and we believe this would fall into the public education programs that we currently implement on behalf of the Office of the Fire Marshal and the fire marshal's public safety council. To us, this is a natural fit and a natural evolution.

Secondly, the inspections and the enforcement: Again, it is our officers, our firefighters and our fire prevention

officers who are in homes on a complaint and a request basis, an emergency basis and on daily events. We are required by law to inspect for smoke alarms. It is certainly not too much to ask for our officers and our staff, while they're in a house, to glance over to the wall to look to see if they have a carbon monoxide alarm. We also suspect that with technology, we will see a lot more combination units of carbon monoxide and smoke alarms installed together.

As those managers and supervisors who will be tasked with allocating resources to any proposed amendments, we do not see this as something that cannot be overcome. We see this as part of a natural evolution of the job that our staff do on a daily basis anyway. In terms of concerns about increased workload, there may be some minor changes, there may be some education that we have to provide to our staff, but at the end of the day, this is not going to drastically increase the workload of the municipal fire services that are currently responding.

Currently, the majority of large municipal fire departments have acted on their own. In fact, the Ontario Association of Fire Chiefs passed a resolution that was submitted to the fire marshal's office in 2011 unanimously calling for the retroactive requirement of installation of carbon monoxide alarms. In the absence so far of that provincial legislation, we have acted on our own. In fact, the Ontario Association of Fire Chiefs has set up a separate subcommittee of fire chiefs and deputy chiefs who have collected municipal bylaws. We have set up a separate link on our website, and we are assisting other municipalities right now as they draft their own municipal bylaws in the absence of a provincial standard. So we, right now, are taking action into our own hands, and we have been for a number of years because we have seen the tragedies that have resulted.

As chair of the fire prevention committee, I am currently working with three large municipal fire departments as they are bringing council reports forward to pass more municipal bylaws in the absence of a provincial standard. Right now, the municipal fire departments have been taking the lead and will continue to take the lead. That being said, we fully support a provincial retroactive standard and requirements and amendments to the Ontario Fire Code. But again, I think it's important to know that we feel so strongly about it—and municipal councils have felt so strongly about it, dating back to Toronto being one of the first cities that did this years ago—that municipal governments are continuing to this day to pass municipal bylaws requiring the retroactive installation of carbon monoxide alarms. I think that's a very important point to remember.

Finally, I just wish to make a comment before taking questions with regard to the next steps in the process. As the representative who worked very closely with the Office of the Fire Marshal and all of the stakeholders for what we still consider the seminal piece of fire safety in this province, the passing of the vulnerable occupancies legislation with the senior citizens' homes and the retirement homes and the sprinklers that the Premier just

announced back in April or May, it is very important that the Office of the Fire Marshal and all stakeholders be available and be able to go over the legislation so that all amendments and all views are observed.

As someone who worked closely with a number of MPPs on all sides of the aisle trying to bring private member's bills forward on sprinkler legislation in retirement homes throughout the years, I can tell you that the technical advisory committee is an absolute must. We noticed slight language changes that would have affected how we delivered the service and how it impacted different stakeholders, so I absolutely would request, on behalf of the OAFIC, that the OFM be given the time to do this properly. The OAFIC will commit right now all resources to work collaboratively with all stakeholders, and we fully support the Office of the Fire Marshal for the technical advisory committee or any subcommittee work that they require to make sure that they engage all stakeholders and that all impacts of this legislation are looked at.

Barring any questions, those are the comments of the Ontario Association of Fire Chiefs, and I thank you, Madam Chair.

0940

The Acting Chair (Ms. Mitzie Hunter): Thank you, Deputy Chief.

To the government side: We have two minutes for each party. Go ahead.

Ms. Soo Wong: Thank you, Madam Chair. Thank you, Deputy Chief, for being here today and for protecting Ontarians every day. I want to say thank you to your association and to your colleagues.

I also want to preface my question to you to say that our government is not prepared for any more delay. This needs to go forward. That's our commitment; I want it to be on record as well.

I also want to go on record to say that I want to thank your organization for working closely with Mr. Hardeman, and also with the Ministry of Community Safety and Correctional Services, in preparing this latest round of the bill, because I know MCSCS has been actively involved.

My question to you, Deputy Chief, this morning is that, as you know, if passed, Bill 77 will expand the scope of the Fire Protection and Prevention Act so that, in addition to fire safety, the FPPA would now provide authority to regulate the presence of unsafe levels of carbon monoxide. In your professional opinion, do you believe that this amendment is the right thing to do?

Mr. Jim Jessop: Yes. Speaking with the full authority of the Ontario Association of Fire Chiefs, we absolutely do. We unanimously passed a resolution in 2011, and we have seen the results and we fully support the proposed amendments.

Ms. Soo Wong: Okay. And in terms of the bill, are there any suggestions to strengthen it? Because next week we are doing clause-by-clause of the bill.

Mr. Jim Jessop: We have reviewed the bill, and I have worked closely, on behalf of the OAFIC, with the

Office of the Fire Marshal, and we fully support what we have seen proposed by the fire marshal's office so far.

Ms. Soo Wong: That's great. Thank you very much.

The Acting Chair (Ms. Mitzie Hunter): Thanks very much. We'll move to the official opposition.

Mr. Ernie Hardeman: Thank you, Chief, for your presentation. I do want to say that we have had the opportunity to work with the fire marshal's office and the Ministry of Community Safety. There was a difference between this bill and what it was the last time that you made a presentation. From what we heard and what needed to be done, we've made those changes, particularly the part—as you mentioned—about how it can be implemented.

The bill now says it goes into the Fire Code, and that's where your committee would be involved, in the changes to the Fire Code, to make sure that it can be done in the most expedient way as it serves you.

I was also impressed with your comments—we heard the last time you presented about some of the questions about how much this was going to increase the costs to municipalities, and if it was really worth that. I want to point out that I appreciated that in your presentation, where it really isn't that much difference.

If you look at this legislation, carbon monoxide detectors are the same as the smoke detectors, so if someone goes into the house to enforce the rules as they apply, they apply to two detectors as opposed to one. It really shouldn't make much difference, and I really appreciated you coming in and bringing that forward.

Even more, having talked to you last time, the one interesting thing that has changed in this bill from the former one—I didn't even realize the first time that, in fact, the mandatory part of carbon monoxide, which was all homes after 2001, presently does not have any enforcement capabilities for the fire department. Even though they had to put them in under the Building Code, they didn't have to keep them working.

Mr. Jim Jessop: Correct.

Mr. Ernie Hardeman: This here will actually mandate that they all have to have working carbon monoxide detectors at all times.

We appreciate your input last time even more than this time, but thank you very much for being here.

Mr. Jim Jessop: Thank you.

The Acting Chair (Ms. Mitzie Hunter): Okay. Thank you. Moving on to the third party: Ms. Fife?

Ms. Catherine Fife: Thank you very much, Madam Chair. Thank you for coming in.

I think the point that you made, that this is a natural evolution from smoke detectors to carbon monoxide detectors, is a very good point, and I think that needs to be stressed. I also appreciate the fact that your technical working group is willing to help us put this regulation into action where it's actually going to work, which is a very good offer.

You referenced something in your comments about how potentially, moving forward or going forward, there may be smoke alarms and carbon monoxide alarms in the same device. I haven't seen that, but could you maybe comment a little bit on that?

Mr. Jim Jessop: Yes. Through the Chair, we have seen that technology now. There are combination devices that are currently on the market. Like all devices, as technology expands, the initial costs of those combination devices were a little more at the beginning, but we've seen the costs come down. We've certainly seen, as technology advances, that that would more than likely be another evolution towards a single device that would satisfy both the requirements of carbon monoxide and smoke alarms in family homes.

Ms. Catherine Fife: Okay. Thank you very much.

Mr. Jim Jessop: Thank you.

The Acting Chair (Ms. Mitzie Hunter): Okay. Thank you very much, Deputy Chief Jessop. I appreciate you coming forward to the committee today. Thank you for appearing.

Mr. Jim Jessop: Thank you, Madam Chair. Thank you, committee.

The Acting Chair (Ms. Mitzie Hunter): That being the agenda completed, we adjourn the meeting until Thursday, November 21, for clause-by-clause consideration of this bill. This meeting is now adjourned. Thank you.

The committee adjourned at 0945.

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Second Session, 40th Parliament

**Assemblée législative
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Official Report of Debates (Hansard)

Thursday 21 November 2013

Journal des débats (Hansard)

Jeudi 21 novembre 2013

**Standing Committee on
Finance and Economic Affairs**

**Comité permanent des finances
et des affaires économiques**

**Hawkins Gignac Act
(Carbon Monoxide Safety), 2013**

**Loi Hawkins Gignac de 2013
(protection contre
le monoxyde de carbone)**



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ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRSCOMITÉ PERMANENT DES FINANCES
ET DES AFFAIRES ÉCONOMIQUES

Thursday 21 November 2013

Jeudi 21 novembre 2013

*The committee met at 0905 in room 151.*HAWKINS GIGNAC ACT
(CARBON MONOXIDE SAFETY), 2013
LOI HAWKINS GIGNAC DE 2013
(PROTECTION CONTRE
LE MONOXYDE DE CARBONE)

Consideration of the following bill:

Bill 77, An Act to amend the Fire Protection and Prevention Act, 1997 to provide safety requirements related to the presence of unsafe levels of carbon monoxide on premises / Projet de loi 77, Loi modifiant la Loi de 1997 sur la prévention et la protection contre l'incendie pour prévoir des exigences en matière de protection contre la présence, dans des lieux, de niveaux dangereux de monoxyde de carbone.

The Vice-Chair (Ms. Soo Wong): Okay. Good morning. I'm pleased to start the meeting. We're five minutes late, but anyway, we're here today to deal with clause-by-clause of Bill 77, An Act to amend the Fire Protection and Prevention Act, 1997 to provide safety requirements related to the presence of unsafe levels of carbon monoxide on premises.

Are there any comments, questions or amendments to any of the sections of the bill? If so, which sections?

Mr. Ernie Hardeman: Section 1, Madam Chair.

The Vice-Chair (Ms. Soo Wong): Section 0.1?

Mr. Ernie Hardeman: Yes, 0.1.

The Vice-Chair (Ms. Soo Wong): Do members all have a copy of this?

Mrs. Laura Albanese: Yes, we do.

The Vice-Chair (Ms. Soo Wong): All right. So section 0.1 of the bill. Mr. Hardeman, do you want to read what you're going to move?

Mr. Ernie Hardeman: Yes. I move that the bill be amended by adding the following section:

"Carbon Monoxide Awareness Week

"0.1 The week beginning on November 1 in each year is proclaimed as Carbon Monoxide Awareness Week."

The Vice-Chair (Ms. Soo Wong): Do we have any comments, debate or amendments to this? Mr. Fedeli.

Mr. Victor Fedeli: Thank you, Chair.

I do speak in favour of this amendment. Back in the tragic Hawkins Gignac incident—the accident and the subsequent deaths—I was the mayor of the city of North

Bay at the time, where the family is from. We immediately implemented a carbon monoxide mandatory statute in the city of North Bay, but we found that education was the most important thing in helping people understand the importance of it. I would completely agree that this Carbon Monoxide Awareness Week would be an absolutely important first step. People need to understand the problem before they can appreciate why there is a remedy.

The Vice-Chair (Ms. Soo Wong): Okay. That's great. Any other comments or questions? Okay, I saw Mr. Prue, I'll come back to him.

Mr. Ernie Hardeman: Madam Chair, I would just like to explain the significance of the wording of the week of November 1. We had real concern. Of course, the first reason that we wanted to put it on that week is that that's also the week of the time change each year in the fall. That's the week that, for smoke detectors, we already have the practice in place to, as the time changes, check all your batteries in your detectors in your homes. But then our concern was, if we put it in the first week of November, from time to time it would be possible to hit Halloween and Remembrance Day in the same week as the awareness week. By wording it with the week of November 1, that's not necessarily the calendar week. It is seven days starting November 1, so it will never hit either one of those two other dates. It will be in the smoke detector battery-changing awareness week, and it was also be clear of those two other holidays.

The Vice-Chair (Ms. Soo Wong): Okay. Mr. Prue. 0910

Mr. Michael Prue: Yes, that was going to be part of my question, because by wording it this way, the week will start at a different day of the week each year. I was a little confused why it wasn't the first Sunday, which is the date that it was changed—but that has been clarified. And although I did have some concern, I am now satisfied.

The Vice-Chair (Ms. Soo Wong): Okay. Are there any other comments? No. All right. We have to call the question. All those in favour? Opposed? Carried. Thank you.

Section 1: Any debate or comments on section 1? I see none. All right. Shall I call the question? All those in favour? Opposed? Carried.

Section 2: Any questions or comments to section 2? Seeing none, I call the question. All those in favour? Opposed? Carried.

Section 3: Any questions or comments to section 3? This is going to be good. I call the question. All those in favour? Opposed? Carried.

Section 4: Any questions or comments? I see none. All those in favour? Opposed? Carried.

Section 5: Any questions or comments? None? Okay. All those in favour? Opposed? Carried.

Section 6: Questions and comments? All those in favour? Opposed? Carried.

Preamble—I believe there's a preamble. Motion 2: Mr. Hardeman, are you going to move it?

Mr. Ernie Hardeman: Madam Chair, I move that the bill be amended by adding the following preamble:

"Preamble

"Carbon monoxide is known as the silent killer because it is a colourless, odourless and tasteless gas. This act is named in honour of the Hawkins family—Laurie, Richard, and their children, Cassandra and Jordan—who were tragically killed by carbon monoxide poisoning in their Woodstock home.

"Reminding Ontarians of the importance of having functioning carbon monoxide detectors can help save lives. Designating the calendar week beginning on November 1 as Carbon Monoxide Awareness Week aligns the need to check carbon monoxide detectors and appliances with the end of daylight savings time. Changing the time on clocks and maintaining safety alarms are two necessary tasks that are easy to perform and promote together.

"As winter approaches, the impetus to begin using gas fired appliances, such as fireplaces, that can produce lethal carbon monoxide increases. Appliances that are rarely used over the summer months may develop leaks or blockages and cause carbon monoxide to accumulate inside the home. Therefore, it is important to inspect appliances and carbon monoxide detectors when the colder temperatures begin."

The Vice-Chair (Ms. Soo Wong): Member, I would like to share with you—to rule on admissibility of this amendment. Mr. Hardeman's amendment proposes to add a preamble to Bill 77. House of Commons Procedure and Practice, second edition, 2009, O'Brien and Bosc, states: "In the case of a bill that has been referred to a committee after second reading ... the committee may not introduce" a preamble if the bill is without one. Therefore, I must rule his motion out of order.

I want to hear comments—Mr. Hardeman.

Mr. Ernie Hardeman: Madam Chair, I would ask unanimous consent of the committee to waive that rule and to actually have it introduced in this bill.

The Vice-Chair (Ms. Soo Wong): Any questions or comments to—

Interjection.

The Vice-Chair (Ms. Soo Wong): Okay. Do we have unanimous consent, first of all? Mr. Prue.

Mr. Michael Prue: A question. I don't want to get into the debate; I just want to be sure. Perhaps the Clerk can advise: Has this ever been waived before by unanimous consent? Because if this is setting a precedent, I'm

a little nervous. If it isn't setting a precedent and it has been done before, I certainly have no objections, but I need to know.

The Clerk of the Committee (Mr. Katch Koch): Unanimous consent has been granted before by committees when the committee is dealing with a motion that is beyond the scope, or outside, that is not acceptable, that is ruled out of order by the Chair. It has been done before.

Mr. Michael Prue: It has been done before. Then I would like to speak—then I would grant unanimous consent.

The Vice-Chair (Ms. Soo Wong): So do we have unanimous consent to the motion before us? Agreed. All right.

Any comments, questions or debate to this? Mr. Hardeman.

Mr. Ernie Hardeman: Madam Chair, I would just like to add—and I appreciate the committee giving unanimous consent for introduction. I would just like to point out that the reason for this preamble being needed is because there's no other way to deal with the amendment we did in section 1, which was to include this in the bill. If we're doing that, then in fact we need to have in the preamble that it was being done. There was nothing in the bill prior to this that would be related to creating awareness of a situation. That's why it's needed, and we very much support it. We appreciate the support we got. With that, I'm ready for debate.

The Vice-Chair (Ms. Soo Wong): Any other comments? Okay, so let's call the question. All those in favour? Opposed? Carried. Thank you very much, Mr. Hardeman.

Now we have to deal with the title of the bill, right? I believe it's motion number 3. Mr. Hardeman, do you want to read that?

Mr. Ernie Hardeman: Madam Chair, I move that the long title of the bill be struck out and the following substituted:

"An Act to proclaim Carbon Monoxide Awareness Week and to amend the Fire Protection and Prevention Act, 1997 to provide safety requirements related to the presence of unsafe levels of carbon monoxide on premises".

The Vice-Chair (Ms. Soo Wong): Any questions or comments to this motion before us? Mr. Prue?

Mr. Michael Prue: Yes. I just want to say that I agree with this because it now captures what has been included. It would not have captured it otherwise and people would not have been so ready to find it, so putting it in the title is a good idea and I thank Mr. Hardeman for this motion.

The Vice-Chair (Ms. Soo Wong): Ms. Fife, do you have any comments?

Interjection.

The Vice-Chair (Ms. Soo Wong): All right. Any more questions or comments?

Okay, shall the title of the bill, as amended, carry? Carried. That's great.

Now I'm going to ask the next question: Shall Bill 77, as amended, carry? Carried.

Shall I report the bill, as amended, to the House? Agreed.

All right, I think that's it. The committee can adjourn. You have the afternoon off. Thank you very much, gentlemen, ladies.

The committee adjourned at 0916.

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STANDING COMMITTEE ON FINANCE AND ECONOMIC AFFAIRS

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Vice-Chair / Vice-Présidente

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Mr. Steven Del Duca (Vaughan L)

Mr. Victor Fedeli (Nipissing PC)

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**Legislative Assembly
of Ontario**

Second Session, 40th Parliament

**Assemblée législative
de l'Ontario**

Deuxième session, 40^e législature

**Official Report
of Debates
(Hansard)**

Monday 2 December 2013

**Journal
des débats
(Hansard)**

Lundi 2 décembre 2013

**Standing Committee on
Finance and Economic Affairs**

**Comité permanent des finances
et des affaires économiques**



Chair: Kevin Daniel Flynn
Clerk: Katch Koch

Président : Kevin Daniel Flynn
Greffier : Katch Koch

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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRSCOMITÉ PERMANENT DES FINANCES
ET DES AFFAIRES ÉCONOMIQUES

Monday 2 December 2013

Lundi 2 décembre 2013

The committee met at 0900 in room 151.

SUBCOMMITTEE REPORT

The Chair (Mr. Kevin Daniel Flynn): Okay, it is 9 o'clock. Let's get the committee going. Most members will know that we don't have any delegations this morning, but we are going to start by reading the subcommittee report. Ms. Hunter.

Ms. Mitzie Hunter: Your subcommittee on committee business met on Thursday, November 28, 2013, to consider the method of proceeding on Bill 105, An Act to amend the Employer Health Tax Act, and recommends the following:

(1) That pursuant to the order of the House dated Thursday, November 28, 2013, the committee meet from 9 a.m. to noon and from 1 p.m. to 4 p.m. on Monday, December 2, 2013, to conduct public hearings, subject to witness demand.

(2) That the Clerk of the Committee post information regarding public hearings on Bill 105 on the Ontario parliamentary channel, the committee's website and on Canada NewsWire.

(3) That witnesses be scheduled on a first-come, first-served basis.

(4) That all witnesses be offered 10 minutes for their presentation and five minutes for questioning from the members of the committee, and that questioning be done on a rotational basis by caucus.

(5) That the deadline for written submissions on Bill 105 be 4 p.m. on Monday, December 2, 2013.

(6) That amendments to Bill 105 be filed with the Clerk of the Committee by 12 noon on Tuesday, December 3, 2013.

(7) That pursuant to the order of the House, the committee meet for clause-by-clause consideration of Bill 105 on Wednesday, December 4, 2013, from 1 p.m. to 4 p.m.

(8) That the Clerk of the Committee, in consultation with the Chair, be authorized, prior to the adoption of the report of the subcommittee, to commence making any preliminary arrangements necessary to facilitate the committee's proceedings.

The Chair (Mr. Kevin Daniel Flynn): Super. Thank you very much. Any comments? Any speakers? Mr. McNaughton.

Mr. Monte McNaughton: I have an amendment to this motion. When do I do that? At the end?

The Chair (Mr. Kevin Daniel Flynn): Do it right now.

Mr. Monte McNaughton: The Clerk will pass it out. I move that the following be added at the end of the subcommittee report: "That following the completion of the committee's consideration of Bill 105, An Act to amend the Employer Health Tax Act, 2013, the committee begin consideration of Bill 56, Aggregate Recycling Promotion Act, 2013."

The Chair (Mr. Kevin Daniel Flynn): Speakers to the amendment? Mr. Prue.

Mr. Michael Prue: Yes, just the same reason I gave in subcommittee: The finance committee is about to embark on a six- or eight-week journey around this province for the deliberations of the budget. I don't see how we can be putting this bill into place until we have finalized that, until we know exactly when the committee is going to be meeting. I've been asking this question for weeks, as the Chair knows. As soon as we have finalized when we'll be out of the Legislature travelling, as soon as we've finalized when we're going to be meeting for public deputations, probably, in this room, then I would entertain this, but not until.

The Chair (Mr. Kevin Daniel Flynn): Any further speakers? Mr. McNaughton.

Mr. Monte McNaughton: Well, just a question to the Chair and to the Clerk as well: Is it even possible? Will time permit what Mr. Prue is talking about?

The Chair (Mr. Kevin Daniel Flynn): Anything is possible, I would state, if the House leaders come to some sort of an agreement, or if we come to some sort of an agreement as a committee. Certainly, without entering into the debate, there was discussion about trying to get out earlier in December and doing some of the public hearings using the time here in the House during the regularly scheduled time. That hasn't been resolved yet, but there was some appetite to do that, I think, from previous discussions.

Any other speakers?

Mr. Monte McNaughton: I'll ask for a recorded vote for this.

The Chair (Mr. Kevin Daniel Flynn): All those in favour of the amendment?

Ayes

Fedeli, McNaughton, Pettapiece.

Nays

Bartolucci, Fife, Hunter, Prue, Wong.

The Chair (Mr. Kevin Daniel Flynn): That motion is defeated.

Returning to the main motion, which was a draft report of the subcommittee. All those in favour?

Mr. Victor Fedeli: Hang on. Are we going to have discussion on it?

The Chair (Mr. Kevin Daniel Flynn): Yes, absolutely, if you have something to say.

Mr. Victor Fedeli: The only thing I would have to say, Chair, is, as you know, we were asked very, very late on Thursday, the last day of sitting last week, to meet and discuss this. I could not attend the meeting as my trip home is scheduled for 7 o'clock, which means I leave here around 5 o'clock to get to the international airport on time. I found the speed at which this is trying to move to that particular committee—while I applaud it—it leaves no time for the public to react.

I understand that in this draft report, we're scheduling hearings, according to this—that we meet from 9 to noon today and from 1 to 4 today to conduct public hearings. Are we indeed meeting from 9 to noon today and from 1 to 4 today? That's my first question.

The Chair (Mr. Kevin Daniel Flynn): We certainly started our meeting at 9. Whether we'll be meeting—

Mr. Victor Fedeli: No, this is the subcommittee meeting at 9 that we're in now, aren't we? This is the draft report?

The Chair (Mr. Kevin Daniel Flynn): No.

Mr. Victor Fedeli: Are we having hearings from 9 to 12 and from 1 to 4?

The Chair (Mr. Kevin Daniel Flynn): The intent was to hear from the public this morning, or this afternoon if necessary.

Mr. Victor Fedeli: And my point is, are we?

The Chair (Mr. Kevin Daniel Flynn): We are here subject to witness demand as it's set in the motion—

Mr. Victor Fedeli: I understand we're here; is the public here?

The Chair (Mr. Kevin Daniel Flynn): No, the public's not here, obviously. That was made clear, I think, over the weekend.

Mr. Victor Fedeli: To my point: You're rushing this. All of a sudden, Thursday at the eleventh hour, before we're catching our flights home, there's an emergency meeting scheduled to ramrod this and insist that the public show up on Monday morning, with no advertised notice and no paid advertising notice whatsoever.

I contacted one. This is from one of the largest manufacturers in North Bay, who said: Good gosh, "Our payroll is over \$5 million.

"I have to ask my finance group what the actual dollar impact will be.

"One thing for certain ... once we are driven out of the province, the impact of these things will be zero.

"The more I read about Ontario's financial situation, the bleaker the future looks."

I received this this morning from one of the manufacturers. That's the best that we could muster with this incredibly short notice.

My question to you, Chair, is: What are you trying to do?

The Chair (Mr. Kevin Daniel Flynn): What am I trying to do? What I'm trying to do is, I'm trying to ensure that the order of the House that was supported by all three parties—my understanding—is complied with. If you have some other ideas or you'd like to disobey the House, I would love to hear them. But right now we're complying with what the House has ordered us to do, with the support of the party you belong to.

Mr. Victor Fedeli: Do you think that the speed at which you're trying to do it, by usurping the public, is the right way to do this?

The Chair (Mr. Kevin Daniel Flynn): I am not trying to do anything. What I'm doing is obeying—

Mr. Victor Fedeli: It's obvious—no, that's the best answer. You are not trying to do anything. Thank you, Chair; I appreciate it.

The Chair (Mr. Kevin Daniel Flynn): That's enough.

Ms. Soo Wong: Mr. Chair?

Mr. Rick Bartolucci: I change flights all the time when—

The Chair (Mr. Kevin Daniel Flynn): Okay.

Interjections.

The Chair (Mr. Kevin Daniel Flynn): Order. No, you don't have the floor anymore, after a comment like that.

Ms. Wong.

Ms. Soo Wong: Mr. Chair, I want it to be on record to say that on Thursday, the opposition House leader put this motion forward. It was read on the floor, asking for this committee to be struck at 9 o'clock this morning. So let's be on the record with that. It was their House leader who asked for Bill 105 to be brought before this committee and that the meeting commence this morning at 9 o'clock. He read a clause about what the instruction was for this committee. So if there's any criticism, Mr. Chair, I want it to be on record that Mr. Fedeli's comments to this committee—and to you, the Chair—are inappropriate.

Second of all, if he has a concern about this short notice, maybe he should check with his House leader, because it is unacceptable to criticize the Chair and the activities of this committee.

The Chair (Mr. Kevin Daniel Flynn): Fortunately, I have very thick skin and it's early in the morning on a Monday.

Mr. Prue.

Mr. Michael Prue: I just want to weigh in on this. I attended the meeting. I saw my friend as he was off to his plane. I understand that, but they were ably represented by a Conservative member. We talked about this because we had an order from the House leaders, and I do know that my House leader, the Conservative House leader and the Liberal House leader all agreed to this. As Ms. Wong stated, this was introduced by the Conservatives, that it be done this rapidly.

I would concur with Mr. Fedeli that I find these things a little untoward when it's done so quickly, but the decision was not made by this finance committee or by this Chair. I want to be right on the record: The decision was made by the House leaders, who in their wisdom, thought it essential that this be put at a rapid pace for this morning. Having done that, with the greatest of respect, Mr. Fedeli, if you want to attack the House leaders, be my guest. Be my guest, but do not attack this Chair or this committee because we have to do that bidding.

So I just want to be on the record to that, and I think that given the time constraints, the subcommittee came up with the best report we could.

The Chair (Mr. Kevin Daniel Flynn): Mr. Fedeli.

Mr. Victor Fedeli: Look, I may be the new guy here, but all I'm saying to you is, the fact that there's nobody here, the fact that we knew there would be nobody here, that's the point I'm trying to make. Whether we had to agree to it or not isn't the point. The point is, there's nobody here. We're going to have this legislation. We're going to go to clause-by-clause on Thursday—at least I hope we're still going to do that, at which point we will

file our amendments, duly on time tomorrow, the three amendments that we have planned for this particular piece of legislation.

All I can say is, my constituents at home, when I approached them on Friday, were shocked that they hadn't heard that their taxes were going to be raised by this government. That's the point that I'm trying to make. These are companies whose payroll is greater than \$5 million. You're robbing Peter to pay Paul with this bill, and that's the point I want to make, that it's being done unbelievably quickly without any input from the public.

Ms. Mitzie Hunter: Chair?

The Chair (Mr. Kevin Daniel Flynn): Ms. Hunter.

Ms. Mitzie Hunter: Chair, I call the question on the motion on the floor.

The Chair (Mr. Kevin Daniel Flynn): Has everybody spoken who wishes to speak to this?

Mr. Michael Prue: Yes, but before the vote, we would like a 20-minute recess, please.

The Chair (Mr. Kevin Daniel Flynn): Okay. A 20-minute recess before the vote.

The committee recessed from 0910 to 0930.

The Chair (Mr. Kevin Daniel Flynn): Okay, if we can come to order again.

Ladies and gentlemen, we had a 20-minute recess before the vote, so let's put the vote that the draft report of the subcommittee be adopted. All those in favour? Those opposed? That motion is carried.

Any further business? Seeing none, we're adjourned.

The committee adjourned at 0931.

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Legislative Assembly of Ontario

Second Session, 40th Parliament

Assemblée législative de l'Ontario

Deuxième session, 40^e législature

Official Report of Debates (Hansard)

Wednesday 4 December 2013

Journal des débats (Hansard)

Mercredi 4 décembre 2013

Standing Committee on Finance and Economic Affairs

Supporting Small
Businesses Act, 2013

Comité permanent des finances et des affaires économiques

Loi de 2013 visant à soutenir
les petites entreprises



Chair: Kevin Daniel Flynn
Clerk: Katch Koch

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ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
FINANCE AND ECONOMIC AFFAIRSCOMITÉ PERMANENT DES FINANCES
ET DES AFFAIRES ÉCONOMIQUES

Wednesday 4 December 2013

Mercredi 4 décembre 2013

*The committee met at 1303 in room 228.*SUPPORTING SMALL
BUSINESSES ACT, 2013LOI DE 2013 VISANT À SOUTENIR
LES PETITES ENTREPRISES

Consideration of the following bill:

Bill 105, An Act to amend the Employer Health Tax Act / Projet de loi 105, Loi modifiant la Loi sur l'impôt-santé des employeurs.

The Chair (Mr. Kevin Daniel Flynn): Okay, we can call to order. We're here for clause-by-clause consideration of Bill 105, An Act to amend the Employer Health Tax Act. Are there any questions or amendments to any section to the bill? If so, to what section?

We're starting now with section 1. Any comments? Any amendments?

Mr. Victor Fedeli: Excuse me, Chair?

The Chair (Mr. Kevin Daniel Flynn): Okay, good. Section 1.

Mr. Victor Fedeli: Oh, okay, thank you. Nothing, thanks.

The Chair (Mr. Kevin Daniel Flynn): Okay. Are we ready to vote then? This is only on section 1 of the bill. All those in favour? Those opposed? That is carried.

Moving on now to section 2 of the bill, any amendments? I don't see any before me. Comments?

Shall section 2 carry? All those in favour? Those opposed? That is carried.

Now we're moving on to section 3, where there are some proposed amendments. Are there any comments, questions or amendments to section 3? Mr. Fedeli.

Mr. Victor Fedeli: Yes, we do have some amendments here. The first one, motion to be moved in committee, section 3 of the bill, subsection 2.1(2) of the act, may I read that, Chair?

The Chair (Mr. Kevin Daniel Flynn): Yes, please, if you would.

Mr. Victor Fedeli: I move that the definition of "A" in subsection 2.1(2) of the Employer Health Tax Act, as set out in section 3 of the bill, be amended by striking out "\$450,000" and substituting "\$800,000".

The Chair (Mr. Kevin Daniel Flynn): Thank you, Mr. Fedeli, pretty straightforward. Speakers to it? Mr. Fedeli.

Mr. Victor Fedeli: There are various pieces of correspondence from the Canadian Federation of Independent Business; there are three sentences basically from the letters that I would like to read.

On October 29, 2013, the vice-president of the Canadian Federation of Independent Business wrote to our finance minister and our Minister of Economic Development, Trade and Employment. It ends with: "To ensure the ongoing economic competitiveness of Ontario's small and medium-sized firms, it is our standing recommendation that the government continue increasing the threshold in future years until it reaches \$800,000 in order to bring Ontario's EHT exemption closer to that of neighbouring provinces such as Manitoba. CFIB remains committed to working with the government and opposition parties to bring this to fruition."

On November 19, the president and CEO, Dan Kelly, wrote to our Premier, our leader of the official opposition and to the leader of the New Democratic Party. One of the sentences again with respect to this amendment: "CFIB has long advocated for payroll tax breaks and our standing recommendation is to eventually increase the EHT threshold to \$800,000 over time. Indexing future EHT threshold increases to inflation, as proposed in Bill 105 would help the province reach that target faster."

Finally, on December 2, the vice-president of the Canadian Federation of Independent Business wrote to our Clerk of the Standing Committee on Finance and Economic Affairs. The sentence that pertains to this is, "CFIB believes that Ontario's EHT exemption threshold should be comparable to that of other provinces and it is our standing recommendation to have it gradually increased to \$800,000 over time."

So the final argument I would make is that we have the highest payroll taxes in Canada, and I'm looking for support on this amendment.

The Chair (Mr. Kevin Daniel Flynn): Ms. Fife.

Ms. Catherine Fife: The NDP will not be supporting this amendment. We obviously have proposed a different level, other than the \$450,000, but we are prepared to support it as it stands right now. Raising it to \$800,000 actually negates the value of this tax, and we hope that we can actually move forward quickly on this.

The Chair (Mr. Kevin Daniel Flynn): Any further speakers? Any further speakers?

Seeing none, all those—

Mr. Victor Fedeli: May I ask for a recorded vote, Chair?

The Chair (Mr. Kevin Daniel Flynn): Yes, you may.

Ayes

Bailey, Fedeli, McNaughton.

Nays

Del Duca, Fife, Hunter, Qaadri.

The Chair (Mr. Kevin Daniel Flynn): Thank you. That motion loses.

We move on to the second amendment. Mr. Fedeli.

Mr. Victor Fedeli: Again, this is in section 3.

I move that subsections 2.1(2), (3), (5), (6), (7), (8), (9) and (10) of the act, as set out in section 3 of the bill, be struck out and the following substituted:

“Exemption amount after 2013

“(2) The exemption amount of an employer who is an eligible employer at any time in a year beginning after December 31, 2013 and who is not associated with any other employers at any time in the year, is the amount calculated using the formula,

1310

“ $A \times B/C$

“in which,

“A’ is \$800,000 for one year in the five-year period consisting of 2014 to 2018 or, for a year in a subsequent five-year period, is the adjusted amount determined for that period under section 2.1.1 for the year,

“B’ is the number of days in the year in which the employer,

“(a) has one or more permanent establishments in Ontario, and

“(b) is an eligible employer, and

“C’ is the number of days in the year.”

The Chair (Mr. Kevin Daniel Flynn): Thank you, Mr. Fedeli. Speaking to the motion?

Interjection.

The Chair (Mr. Kevin Daniel Flynn): Okay, one thing with your written comments and the verbal comments—

Mr. Victor Fedeli: What did I miss?

The Chair (Mr. Kevin Daniel Flynn): “‘A’ is \$800,000 for a year,” and I think you said “for one year.”

Mr. Victor Fedeli: Oh, I apologize. For the record, it is:

“in which,

“A’ is \$800,000 for a year in the five-year period...”

The Chair (Mr. Kevin Daniel Flynn): Okay, thank you very much. Speaking to the amendment: Mr. Fedeli?

Mr. Victor Fedeli: Thank you, Chair. This bill will raise taxes for many family-owned businesses in Ontario, businesses that have a \$5-million employment level. We’re talking businesses—some considerably smaller than 100 with larger salaries. But even in my own city of North Bay, there are quite literally dozens of family-

owned businesses that have 100 employees. I spoke with several of them over the past week—actually, over the past couple of weeks, now. This is just another disincentive to business in Ontario.

One joke to me: “How do you start a small business in Ontario?” The punch line, of course, is, “You start with a large business.” That’s what this seems to do, Chair. I say respectfully that adding tax at this time—basically, we’re robbing Peter to pay Paul. That’s what this is doing. We really hope that there’s support from all parties not to raise taxes for family-owned businesses today. I thank you, Chair.

The Chair (Mr. Kevin Daniel Flynn): Thank you. Speaking to the motion, Ms. Fife and then Mr. McNaughton.

Ms. Catherine Fife: Thank you, Chair. As we’ve already indicated, we will not be willing to support amending the \$450,000 and substituting \$800,000. So we will not be supporting this amendment in any way, shape or form.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Ms. Fife. Further speakers? Mr. McNaughton.

Mr. Monte McNaughton: I’d just like to add to my colleague Mr. Fedeli’s point that actually this is going to increase taxes on businesses such as Heinz. It would hit them with a tax increase—CCL and, I know, Cooper Standard, in the community where I’m from. It would impact Tender Tootsies, which at one point had over 1,000 employees in a few different towns in my riding. So this is a wrong time to be increasing taxes on those businesses. We’ve lost hundreds of thousands of manufacturing jobs, and I think to be hiking taxes on these types of businesses is job-killing.

The Chair (Mr. Kevin Daniel Flynn): Thank you, Mr. McNaughton. Any further speakers? Seeing none—

Mr. Victor Fedeli: Recorded vote.

The Chair (Mr. Kevin Daniel Flynn): A recorded vote has been asked for.

Ayes

Bailey, Fedeli, McNaughton.

Nays

Del Duca, Fife, Hunter, Qaadri.

The Chair (Mr. Kevin Daniel Flynn): That amendment loses. Moving on, shall section 3 carry? All those in favour of section 3? All those opposed to section 3? Section 3 is carried.

Moving on now to section 4, I have no notice of amendments. Any speakers to section 4? Shall section 4 carry? Those in favour? Those opposed? Carried.

Moving on now to section 5: any speakers? Seeing none, shall section 5 carry? Those in favour? Those opposed? Section 5 is carried.

Moving on now to section 6: Mr. Fedeli, you have some amendments and I have some comments after your amendments.

Mr. Victor Fedeli: Thank you. I have one amendment, number 4, that was supplied—section 6 of the bill:

I move that section 6 of the bill be struck out and the following substituted:

“Short title

“6. The short title of this act is the Raising Taxes on Family-Owned Businesses in Ontario Act, 2013.”

The Chair (Mr. Kevin Daniel Flynn): Thank you, Mr. Fedeli. I'd like to rule on the admissibility of this amendment, after receiving advice. Your motion proposes to replace the short title, obviously, of Bill 105. House of Commons Procedure and Practice, second edition, 2009, O'Brien and Bosc, states that acceptable amendments to any bill must be in proper form. However, any amendments tendered in a spirit of mockery are out of order. Therefore, I must rule this motion out of order.

Any further speakers?

Mr. Victor Fedeli: Thank you, Chair—

The Chair (Mr. Kevin Daniel Flynn): Oh, there's no debate on the ruling. You certainly can speak to section 6.

Mr. Victor Fedeli: Yes. May I speak to the short title?

The Chair (Mr. Kevin Daniel Flynn): You can, as long as you—

Mr. Victor Fedeli: To us, you're actually raising taxes for several thousand family-owned businesses in Ontario—

Mr. Steven Del Duca: On a point of order, Mr. Chair: Did you just not provide us with a ruling on the admissibility of the motion? If so, I'm not quite sure why the member opposite is speaking to the motion that has been ruled out of order.

The Chair (Mr. Kevin Daniel Flynn): What I ruled was that the amendments that have been provided by the member are out of order and therefore are not debatable. Mr. Fedeli—we'll see where he goes with this—up until now, has been speaking to section 6. If he continues to do that, it would be in order.

Ms. Catherine Fife: On a point of order, Mr. Chair: Mr. Fedeli clearly stated that he is speaking to the title of the bill. He prefaced his statement that said that he is speaking to this “robbing Peter to Pay Paul,” so—

The Chair (Mr. Kevin Daniel Flynn): Well, no; they're both off the floor now and they're not coming back. What Mr. Fedeli is doing, I hope, is speaking in very general terms to the short title of the bill.

Mr. Victor Fedeli: Thank you, Chair. The current short title of the bill seems to be inaccurate with respect to the fact that it doesn't bring attention to the fact that taxes would be raised for family-owned businesses, businesses such as Canadian Tire, your independent grocers—those are all the kinds of businesses within your communities that are owned by family members within your communities. The current title doesn't reflect the accuracy. I thank you for the opportunity to speak to that, Chair. I would ask for unanimous consent on changing the title of the bill.

The Chair (Mr. Kevin Daniel Flynn): Is there unanimous consent? Thank you. There is not unanimous consent. Any further debate on section 6? Seeing none, shall section 6 carry? Carried.

We're moving on now to the title. Shall the title of the bill carry?

Mr. Victor Fedeli: Recorded vote.

Ayes

Del Duca, Fife, Hunter, Qaadri.

Nays

Bailey, Fedeli, McNaughton.

The Chair (Mr. Kevin Daniel Flynn): Thank you. Carried.

Shall Bill 105 carry? Those in favour? Those opposed? That is carried.

Shall I report the bill to the House? Those in favour? Those opposed? This is carried.

Adjourned; thank you.

The committee adjourned at 1318.

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